

# **A STUDY ON NORTH KOREA ADMINISTRATION TRANSITION**

**By**

**Jong-Bum WOO**

## **THESIS**

Submitted to  
KDI School of Public Policy and Management  
in partial fulfillment of the requirements  
for the degree of

**MASTER OF PUBLIC POLICY**

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## **ABSTRACT**

### **A STUDY ON NORTH KOREA ADMINISTRATION TRANSITION**

**By**

**Jong-Bum WOO**

For 60 years, South and North Korea have been two separate countries. North Korea adopted socialism. North Korean power and administration system developed differently from South Korea. This study examines North Korean organization and power system character of its each subpart. It also deals with the questions why North Korea adopted its own way, what are the external factors as well as internal factors of change and how those findings can be related to theory. This study also analyzes the future of North Korean power system and administration organization. After reunification of South and North Korean organization, how to change and combine with South Korean System? These are the key issues of this thesis.

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**2008 (Year of publication)**

**Dedicated to Jesus, Hye Mi PARK, Seo Hyeon WOO and Professor Jin PARK**

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## **I. INTRODUCTION**

### **1. Background**

We are living in the 21 century where Korea is the only divided country. While South Korea is an open society and everybody can monitor its political and economic system, North Korea is not. People in North Korea are blocked to know its political and economic situation very well. Thus, we need to find the appropriate system to be used after reunification of Korea. Before analyzing the system, knowing the background of it is important. The early stage of history can be described as follow; “In the aftermath of the Japanese occupation of Korea, which ended with Japan's defeat in World War II in 1945, the Soviet Union accepted the surrender of Japanese forces and controlled the area north of the 38th parallel, with the United States controlling the area south of the parallel line. Virtually all Koreans welcomed independent from Japanese imperial rule, yet objected to the re-imposition of foreign rule upon their country. The Soviets and Americans disagreed on the implementation of Joint Trusteeship over Korea, with each establishing its socio-economic system upon its jurisdiction, leading, in 1948, to the establishment of ideologically opposed governments. The United States and the Soviet Union then withdrew their forces from Korea. Growing tensions and border skirmishes between north and south led to the Korean War. On June 25, 1950, the (North) Korean people's army crossed the 38th parallel, with the war aim of peninsular reunification under their political system. The war continued until July 27, 1953, when the U. N command, the Korean people's army, and the Chinese people's volunteer army signed the Korean War armistice agreement. From that time, the Korean demilitarized zone

has separated the North and South”. ([http://en.wikipedia.org/wiki/North\\_korea](http://en.wikipedia.org/wiki/North_korea), 2008). Korea is divided into two territories completely. South and North Korea has been developed different administration and political system. And the gap between the two Koreas is continually increasing more and more.

## 2. Literature Review

A number of previous studies about North Korean system structure exist and many literatures were reviewed before the study. “The military white books” from the ministry of defense, “The North Korean authority system” from the ministry of unification were reviewed. The data and book provide same objective information which analyzes North Korean power structure and relation within the authority system so that everybody can easily understand North Korean power system. However, the information is not enough to suggest future direction. Further, “This is real WPK dictatorship in North Korea” (KIMIIJong, 2008.7) “North Korea party, government and military” (Sejongcenter, 2007) and “Military first policy and NDC organization expansion” (LEEDongKi, 2008.1) were also reviewed. These studies analyze North Korean power system relations from the beginning of the early stage to the present but do not discuss how to change future structure and how to react against the change in North Korean power structure. This study illustrates history of North Korean power structure, the relation among the authority organizations, and suggests future direction for North Korea’s governance. The main focus of the study is the future direction and suggestions of North Korean governance structure. It also deals with North Korean administration and power system complexly and analyzes power structure of North Korea and the transition process of each organization in the first half. While this part is very similar to other articles, research papers or books, it adds up external and internal analysis methods and theories. Second half of this study suggests the future direction for North Korea and

discusses the role of South Korea and international society in the future. Simply knowing North Korean system is not useful. The most worth value is to see Korea's future. This study expects to help to forecast the reunification of the Korea peninsula in the future.

### 3. Content and The Purpose of Study

This study is consisted of five chapters. First chapter includes the explanation about the purpose of the study and methodology. Second chapter deals with the power structure of North Korea and includes the description of the transition of power structure since the 1940. Third chapter includes the analysis of each power system and organization. This chapter illustrates about WPK, economic organization, central government, local government and Korean people's army. Forth chapter contains future direction for North Korea's governing structure. This part assumes that each power system and organization should be changed. Finally, the last chapter suggests the role of South Korea and the international society and summary. Korea has been divided for fifty years, and the administration systems developed differently. While North Korea's system is suitable to its regime, South Korea cannot adopt the North Korean system. Thus, we need to know each other's system very well before the start of the reunification process. This study focuses especially on North Korean power system. Hopefully, someday South and North Korea may reunite. The power system of the two Koreas is different. But some parts of the North Korean system are applicable in the context of South Korea. Therefore, the author of this study has realized that the South Korean system is not perfect. Thus, another purpose of the study is to find out how useful the combination of both power systems can be for the improvement of North as well as South Korea.

#### 4. Theoretical Background

This study will be analyzed by several tools, such as bureaucracy and principal-agent theory. Thus, it is essential to know these tools in advance.

##### 4.1 Bureaucracy

“Bureaucracy is the structure and set of regulations in place to control activity, usually in large organizations and government. As opposed to adhocracy, it is represented by standardized procedure (rule-following) that dictates the execution of most or all processes within the body, formal division of powers, hierarchy, and relationships. In practice the interpretation and execution of policy can lead to informal influence. Bureaucracy is a concept in sociology and political science referring to the way that the administrative execution and enforcement of legal rules are socially organized.

##### 4.1.1 Four Structural Concepts are Central to Any Definition of Bureaucracy

First concept is a well-defined division of administrative labor among persons and offices. Second concept is a personnel system with consistent patterns of recruitment and stable linear careers. Third concept is hierarchy among offices, such that the authority and status are differentially distributed among actors. Forth concept is formal and informal networks that connect organizational actors to one another through flows of information and patterns of cooperation.



#### 4.1.2 Entrepreneurship, Networked Legitimacy, and Autonomy

In “The Forging of Bureaucratic Autonomy,” Daniel Carpenter argues that bureaucratic autonomy emerges only upon the historical achievement of three conditions: first is the autonomous bureaucracies are politically differentiated from the actors who seek to control them. Second is the bureaucratic autonomy requires the development of unique organizational capacities - capacities to analyze, to create new programs, to solve problems, to plan, to administer programs with efficiency, and to ward off corruption. Third is bureaucratic autonomy requires political legitimacy, or strong organizational reputations embedded in an independent power base.

#### 4.1.3 Max Weber on Bureaucracy

Max Weber has probably been one of the most influential users of the word in its social science sense. He is well-known for his study of bureaucratization of society; many aspects of modern public administration go back to him; a classic, hierarchically organized civil service of the continental type is — if perhaps mistakenly — called “Weberian civil service”. However, contrary to popular belief, “bureaucracy” was an English word before Weber; the Oxford English Dictionary cites usage in several different years between 1818 and 1860, prior to Weber's birth in 1864. Weber described the ideal type bureaucracy in positive terms, considering it to be a more rational and efficient form of organization than the alternatives that preceded it, which he characterized as charismatic domination and traditional domination. According to his terminology, bureaucracy is part of legal domination. However, he also emphasized that bureaucracy becomes inefficient when a decision must be adopted to an individual case. According to Weber, the attributes of modern bureaucracy include its impersonality, concentration of the means of administration, a leveling effect on social and economic differences and implementation of a system of authority that is practically

indestructible. Weber's analysis of bureaucracy concerns: first, the historical and administrative reasons for the process of bureaucratization. Second is the impact of the rule of law upon the functioning of bureaucratic organizations. Third is the typical personal orientation and occupational position of bureaucratic officials as a status group. Fourth is the most important attributes and consequences of bureaucracy in the modern world. A bureaucratic organization is governed by the following seven principles:

- a. Official business is conducted on a continuous basis
- b. Official business is conducted with strict accordance to the following rules: The duty of each official to do certain types of work is delimited in terms of impersonal criteria. The official is given the authority necessary to carry out his assigned functions. The means of coercion at his disposal are strictly limited and conditions of their use strictly defined
- c. Every official's responsibilities and authority are part of a vertical hierarchy of authority, with respective rights of supervision and appeal
- d. Officials do not own the resources necessary for the performance of their assigned functions but are accountable for their use of these resources
- e. Official and private business and income are strictly separated
- f. Offices cannot be appropriated by their incumbents (inherited, sold, etc.)
- g. Official business is conducted on the basis of written documents

Bureaucratic official:

- a. Is personally free and appointed to his position on the basis of conduct
- b. Exercises the authority delegated to him in accordance with impersonal rules, and his or her loyalty is enlisted on behalf of the faithful execution of his official duties
- c. Appointment and job placement are dependent upon his or her technical qualifications

- d. Administrative work is a full-time occupation
- e. Work is rewarded by a regular salary and prospects of advancement in a lifetime career

An official must exercise his or her judgment and his or her skills, but his or her duty is to place these at the service of a higher authority; ultimately he/she is responsible only for the impartial execution of assigned tasks and must sacrifice his or her personal judgment if it runs counter to his or her official duties. Weber's work has been continued by many, like Robert Michaels with his Iron Law of Oligarchy.

#### 4.1.4 Criticism

As Max Weber himself noted, real bureaucracy will be less optimal and effective than his ideal type model. Each of Weber's seven principles can degenerate.

- a. Vertical hierarchy of authority can become chaotic, some offices can be omitted in the decision making process, there may be conflicts of competence;
- b. Competences can be unclear and used contrary to the spirit of the law; sometimes a decision itself may be considered more important than its effect;
- c. Nepotism, corruption, political infighting and other degenerations can counter the rule of impersonality and can create a recruitment and promotion system not based on meritocracy but rather on oligarchy;
- d. Officials try to avoid accountability and seek anonymity by avoiding documentation of their procedures (or creating extreme amounts of chaotic, confusing documents see also: transparency)

Even a non-degenerated bureaucracy can be affected by common problems:

- a. Overspecialization, making individual officials not aware of larger consequences of their actions

- b. Rigidity and inertia of procedures, making decision-making slow or even impossible when facing some unusual case, and similarly delaying change, evolution and adaptation of old procedures to new circumstances;
- c. A phenomenon of group thinking - zealotry, loyalty and lack of critical thinking regarding the organization which is perfect and always correct by definition, making the organization unable to change and realize its own mistakes and limitations;
- d. Disregard for dissenting opinions, even when such views suit the available data better than the opinion of the majority;
- e. A phenomenon of Catch-22 (named after a famous book by Joseph Heller) - as bureaucracy creates more and more rules and procedures, their complexity rises and coordination diminishes, facilitating creation of contradictory and recursive rules
- f. Not allowing people to use common sense, as everything must be as is written by the law.

In the most common examples bureaucracy can lead to the treatment of individual human beings as impersonal objects.” (wikipedia, <http://en.wikipedia.org/wiki/Bureaucracy>, 2008)

## 4.2 Principal-Agent Theory

### 4.2.1 Key Concepts and Terms

“Principle-agent theory arises in a business management context associated with behavioral studies of employer-contractor or employer-employee interactions but it can be applied to public and non-profit settings as well. Early work centered on dilemmas of dealing with incomplete information in insurance industry contracts (Spence and Zeckhauser, 1971; Ross, 1973). The theory was soon generalized to dilemmas associated with contracts in other contexts (Jenson and Meckling, 1976; Harris and Raviv, 1978). Because some research in this

area utilizes experiments in small group interaction, there is a close relation to game theory, as some principal-agent writers make explicit.

#### 4.2.2 Principal-Agent Problem.

The central dilemma investigated by principal agent theorists is how to get the employee or contractor (agent) to act in the best interests of the principal (the employer) when the employee or contractor has an informational advantage over the principal and has different interests from the principal. Sappington (1991) provides a discussion of principal-agent incentive problems. It is Privatization as a solution to the principal-agent problem. Principals must balance agency costs against costs of debt financing and other costs associated with not separating ownership (sovereignty in the public sphere) from control. The issue of privatization of government services hinges not only on the relative production costs in the public vs. private sector, but also on agency/transaction costs. Specifically, the issue hinges on finding the optimum point of privatization where the marginal total cost (agency costs plus production costs) equal their marginal benefits. This is made more complicated by the fact that there are many forms of separation of ownership/sovereignty from control, including many forms of contracting out, which can carry high agency costs. Indeed, contractors may be in-house governmental agents, not representing privatization at all. See Jensen and Meckling (1976). The contract state is a reference to one model for solution of the principal-agent problem, namely radical contracting-out of otherwise governmental services. Public administration in New Zealand is often taken as a model. Agency costs are a type of transaction cost, reflecting the fact that without incurring costs, it is impossible for principals to ensure agents will act in the principals' interest. Agency costs include the costs of investigating and selecting appropriate agents, gaining information to set performance standards, monitoring agents, bonding payments by the agents, and residual losses.

#### 4.2.3 Agency Costs have Policy Implications.

In addition to recognizing that contract management involves agency costs, one may also observe that the informational advantage of the contractor regarding performance means that the contractor may be able to impose high agency costs by resisting the principal's effort to gain information. That is, there is information asymmetry in favor of the agent, who regards information as a source of power and therefore hoards and guards it (Waterman & Meier, 1998). The more difficult for the principal to gain information on performance outcomes, the more likely that contracts will be framed instead in terms of contractor behavior. The more uncertain the outcomes, the more the agent will have an incentive to resist the principal's information-gathering efforts so as to encourage behavioral rather than outcome performance standards. This is a form of the effectiveness (outcome) vs. efficiency (behavior) distinction common in administrative literature. Goal incongruity between principal and agent increases the incentive of the agent to withhold information from the principal (Simonsen and Hill, 1998). Some agents are more risk-averse than others, perhaps due to organizational culture. Risk averse agents are more prone to withhold information from principals, increasing agency costs. Interdependence can also make processes more complex and uncertain, in turn increasing agency costs of obtaining performance information. The agent may not follow the intent of the principal when there has been insufficient investment of time and personnel, and investment in communications channels, by the principal, resulting in lack of clarity and/or consistency of messages from the principal (Goggin, Bowman, Lester, and O'Toole, 1990).

#### 4.2.4 Management Control Theory

Management control theory deals in part with the principal-agent problem viewed as a control problem. Control may be after-the-fact or before-the-fact -- that is, governmental actions after the consequences of the agent's actions are known, or prior to the agent taking action. The latter is, of course, traditional budgeting and regulation. Principal-agent problems are common in budgeting (Smith & Bertozzi, 1998). Control theory, however, suggests that where consequences are homogenous and therefore are easily monitored, after-the-fact controls are more effective. Where consequences are unique and hard to monitor, before-the-fact control is appropriate. By implication, public administrators should employ traditional before-the-fact regulation only in a relatively small subset of activities, but should implement after-the-fact controls in many areas, typically through contractual arrangements which specify consequences desired by the principal and attach related after-the-fact rewards and penalties to the agent. As Thompson (1998) notes, before-the-fact and after-the-fact controls both ultimately rely on incentives and sanctions for their effectiveness. However, after-the-fact controls are demand-revealing mechanisms in that they make incentives clear to the agent and allow the agent to determine how best to satisfy the demand schedule that is presented openly. In contrast, before-the-fact controls often are demand-concealing, whether appropriation mandates to governmental organizations to perform services or flexible pricing (cost-plus contracts) of the military sector type. Often before-the-fact controls do not allow the agent -- governmental or private -- to gain a full view of the demand schedule, without which information efficient mobilization of resources is impossible, and even more so when before-the-fact controls impose constraints on the type, manner of use, time of use, etc., of resources.

#### 4.2.5 Theory of Corruption.

Governmental corruption can be analyzed in terms of principal-agent theory (Aidt, 2003). Bribery can be seen as a market transaction cost which occurs when public officials have discretionary power (often due to weak institutional constraints) to extract rents from those seeking governmental services, such as licenses and permits. Corruption can be efficient by providing a (black) market mechanism by which the agent (the official) creates a market of escalating bribes such that the service-seekers (the agents) most in need bid the most in bribes and get the services first. Moreover, bribery may substitute for other less efficient means by which the agent may expropriate public wealth, such as direct personal confiscation.

Efficient corruption also speeds service delivery when the "normal" situation is one of broken bureaucratic processes. Thus in a study by Leff (1964), corruption served to increase food production under price control in Brazil, whereas production stagnated under price control in Chile, where officials were not corrupt and enforced rules. However, corruption may also be inefficient insofar as the objectives of the agents do not reflect social welfare. Corrupt agents may supply government services to maximize bribes, not maximize service delivery. Unlike open auctions, inefficiencies in service allocation under corruption may also arise from the expenditure of resources to keep corrupt deals secret. Moreover, the collection of rents accrues to the agent, not to the government (the principal), and these revenues are not available for reinvestment in more efficient means of service delivery. In the case of corrupt tax officials, government revenues may be reduced considerably. Also, corrupt officials may take steps to assure the continued inefficiency of "normal" service delivery precisely so that citizens must use bribes to obtain needed services. Then from the citizen point of view, corrupt deals lack security because contracts cannot be enforced in courts, and lack of security impedes efficient planning by entrepreneurs. For the principal (government) to regain control over the agent (the corrupt official), monitoring/enforcement must be increased



and salaries of officials must be raised to the point where fear of dismissal outweighs hope for profit through bribery. However, costs of monitoring and costs of higher salaries may prove to be great enough to actually reduce overall government revenues compared to relying on low-paid, corrupt agents. The theory of corruption changes when one assumes both the principal (the government) and the agent (the official) are non-benevolent and corrupt. In such a context, there is no incentive for efficient allocation of government services. Shleifer and Vishny (1998) in their book, *The Grabbing Hand*, take this viewpoint, which assumes all government officials will be corrupt given the opportunity. Governments adopt economic policies with a view to creating more opportunities for corruption, not to remedy inefficiencies. Increasing the salaries of officials is not a remedy for corruption because there is no risk of being caught since higher officials are corrupt also, not seeking to enforce rules. Higher officials establish monitoring mechanisms only for symbolic reasons, not substantive control. The choice is not only between the two models of benevolent principal/corrupt agent and corrupt principal/corrupt agent. In systems marked by separation of powers and/or decentralization of powers, it is possible some principals will be benevolent and others corrupt. Separation of powers, decentralization, and transparency in government measures can mitigate corruption. However, such measures only work to the extent that power is shifted from corrupt to benevolent principals. For instance, decentralization to local levels may shift power to more democratically accountable and benevolent principals, or to more corrupt principals more under the control of local interests. Moreover, decentralization of spending decisions while continuing central control of revenue collection is likely to increase corruption, since the interests of central principals and local agents will diverge more sharply.

#### 4.2.6 Assumptions

##### 4.2.6.1 Economic Motivation.

Principal-agent theory rests on a basis in economics, with the relationship between the principal and the agent defined by the contract. Relationship problems are approached through a contractual perspective; solutions lie in changing the contract. In evaluating writings from this perspective, consider if adequate emphasis has been given to non-economic considerations: cultural, social, psychological, political. (For instance, Wood & Waterman [1994] note that responsiveness of the bureaucrat to political control is the norm, not the exception, even though political controls are not part of the employee contract).

##### 4.2.6.2 Negative View of Agents.

By and large, principal-agent theory tends to assume agents have an innate tendency to seek autonomy from organizational rules, to minimize the burden of discharging responsibilities, and to hoard rather than pass through information (since information is power) (Frederickson & Smith, 2003).

##### 4.2.6.3 A Cultural Dynamics.

Principal-agent theory can ascribe an over-simplistic Skinnerian psychology to agents, emphasizing their responses to stimuli from the agent and overlooking factors associated with organizational culture. Jones (2003: 404) calls the Skinnerian underpinnings of principal-agent theory "antiquated" and leading to the neglect of important non-contractual aspects of bureaucratic relationships. That is, control may rest as much or more on organizational culture as on the principal-agent contract and related incentives and disincentives to the agent. Brehm & Gates (1993), for instance, noted "the overwhelming importance of attributes of the organizational culture" in their study of supervision/control over police behaviors.

#### 4.2.6.4 Descriptive vs. Normative Theory.

Principal-agent theory can be descriptive theory (as in small group experimental studies) or it can be normative theory (prescribing contracting-out). These two poles of principal-agent theory are not necessarily compatible. As descriptive theory, one must approach empirically the question of whether after-the-fact controls are more effective in all settings (cf., Schick, 1998). As normative theory, principal-agent theory is an umbrella for dissimilar bedfellows ranging from radical Milton Friedman-type privatization to quite moderate reforms involving performance contracting within traditional governmental organizations.

#### 4.2.7 Illustrative Hypotheses

Hypotheses below are illustrative and not all authors associated with this theory would subscribe to all hypotheses listed.

- a. The more ambiguous the relation of means to ends, the greater the information advantage of the agent. The greater the agent's information advantage, the higher the information costs to the principal.
- b. The more ambiguous the relation of means to ends the less effective a priori regulation and rules stipulated by the principal.
- c. The more complex the process (ex. the more autonomous and semi-autonomous units involved), the higher the information costs.
- d. The lower the information costs to the principal, the better the oversight of the agent. The more the oversight of the agent, the better the performance.
- e. The higher the information costs, the more likely the contract will be specified in terms of agent efficiency rather than agent effectiveness.

- f. The more risk-averse the agent, the more the agent will increase information costs to the principal.
- g. The more transparency provisions are written into the contract, the lower the information costs.
- h. The more performance outcomes are written into the contract, the more successful the outsourcing.
- i. The more the agent puts up in performance bond, the better the performance.
- j. The more the goals of the selected agent are similar to those of the principal, the more outcomes will be those sought by the principal.
- k. The better the information provided by past agents, the more effective the performance standards framed by the principal.
- l. The less the investment in principal-agent communication channels, the more the goal incongruity between principal and agent.
- m. The more the goal incongruity, the greater the information costs.
- n. The higher the cost of information the more the principal will satisfy rather than optimize.
- o. Raising salaries of officials reduces corruption in states characterized by benevolent principals and corrupt agents, but not in states characterized by corrupt principals and corrupt agents". (GarsonG., 2007)

## **II. POWER STRUCTURE OF NORTH KOREA**

The development of the power structure of North Korea can be divided into four eras with their own characteristics. This chapter analyzes the relationship among WPK, government and military. Last part explains current authority system of North Korea.

### **1. North Korean Power Structure Transition**

#### **1.1 Socialist State Building Era (1945-1956)**

This era was a very chaotic age as KIM Il Sung had to fight with many internal enemies within the country. Thus, during this period, his power was competitively weak. Finally he established WPK in 1945, nationalized main industry and made effort to establish Soviet union Socialist State. Soviet Union monitored workers party of Korea (henceforth WPK) and state. WPK and North Korean government were nearly destroyed due to Korean War, during which WPK power was comparatively weak. At that time, the army operated independently from WPK. After the Korean War, KIM Il Sung group succeeded to get rid of the opposition party. (BAIKHak, 2007)

##### **1.1.1 Bureaucracy**

This era is the establishment period of North Korea, but North Korea had no real ability to establish the state. Consequently, it copied Soviet Union bureaucracy. This era's organization was not perfect, resulting in many problems of the bureaucracy. North Korean WPK could not control Korea people's army. After Korean War WPK strength controlled the military.

According to Max Weber, KIM Il Sung leadership was so-called charismatic leadership, so despite the fact that his power was not perfect during the period, his charisma could control North Korea.

### 1.1.2 Principal-Agent Theory

At first, KIM Il Sung had imperfect information about the military so he could not control the military absolutely. There are many reasons that North Korea could not win in the Korean War despite its superior weapons and military. One of them is the above mentioned fact that KIM Il Sung could not dominate the military; for example, one line command system is very important during the war times, however, KIM Il Sung could not maintain it. Many other mistakes also happened during this period.

### 1.2 Socialist State and Party Establishment Era (1956-1967)

During this era, the Soviet Union tried to improve its relations with western countries. At the same time, it also changed the system from dictatorship to collective power system. Later on, many socialist countries also changed following the Soviet Union. North Korea was no exception so some fraction tried to go against KIM Il Sung. This is the background of august sectarian incident, which in the end became the chance to get rid of the opponent fraction for KIM Il Sung. Finally, KIM Il Sung established autocracy in North Korea. He also wanted to control the military absolutely, but since Korea people's army command system is a unique one, KIM Il Sung could not control the military effectively. Thus, to be able to control the military absolutely, he made high rank military officers join Korea people's army party committee, which was under his direct influence. Finally, WPK Committee in Korea people's army could effectively control the military, and KIM Il Sung gained the absolute power. (BAIKHak, 2007) Big change of this era is that he strengthen his power. KIM Il Sung is

leader of WPK. WPK establish to branch all national organization such as military, central government, local government and all society because WPK want to control people.

#### 1.2.1 Bureaucracy

Separation of powers is the key point of bureaucracy. KIM Il Sung established political control department in military to control it efficiently, but, in doing so, he did not allow for military autonomy, which is very special to bureaucracy. Such a system was made possible by the fact that he was a strong charismatic leader. Finally, KIM Il Sung could control the regime completely, including the government, WPK and military. However, his bureaucracy was under the risk of failure because of lack of specialization. In the military he also created a dual command system consisting of a military line and a political line. The problem was that the political line power was too big so many people tended to follow it. This caused lack of military specialization and failure-prone bureaucracy system.

#### 1.2.2 Principal-Agent Theory

By Principal agent theory, KIM Il Sung controlled all the powers in the regime but he had limited power over the military. Since KIM Il Sung's ability to monitor the military was competitively weak, he decided to take direct control over it by using the political line of command. By that, he established a monitoring system in the military and avoided power dilution. His regime used screening method which was effective in monitoring, but inefficient in organization development.

### 1.3 Sole Idea System and the Head system Establishment Era (1967-1994)

This era was marked by the beginning the worshipping of KIM Il Sung. He needed some ideology, and Juche ideology was made in this era. During the same era, many incidents in which military was involved, also happened outside of North Korea. At that time, KIM Il Sung felt fear of military's power so he got rid of hostile military leaders. Consequently, he dispatched his people to small military groups which he could also control through politically line similarly to above. In 1972 North Korea socialist constitution law changed. This law make the "Head" System (주식). The "Head" controlled WPK, the government and the military. KIM Il Sung also made his son successor. At the same time, environment outside of North Korea changed abruptly as many socialist states such as Soviet Union and Eastern Europe fell and changed the political regime. In response, KIM Il Sung strengthened his ideology to maintain his regime. After KIM Il Sung died in 1994, the regime was handed over to KIM Jung Il. (BAIKHak, 2007). The differences from other era are cult of personality because he want to continue his regime stably. He want to pass over regime to the his son. KIM Il Sung made lower the status supreme people's assembly (SPA) standing committee and change the constitutional law. By the constituional law, the "Head" can get all North Korea Power.

#### 1.3.1 Bureaucracy

While KIM Il Sung completed charismatic leadership by Juche, his regime was having economic difficulties, so he became dependent on the use of military power to control it. Bureaucracy was controlled by military and military power increased. WPK, government and military power structure shifted the weight to the military; this kind of system increasing the likelihood of corruption. By CHAE Won Ho, SON Ho Jung and KIM Ok Il, bureaucracy corruption happened due to three main reasons which were political, economic reason and



cultural reasons. First, the political reason consisted in one party dictatorship, since all organization in North Korea was controlled by WPK. KIM Il Sung dominated WPK so he dispatched his people to each power organization, where they obviously held very powerful positions. This situation thus allowed for corruption. Second, economic reason was represented by the imbalance of food supply and demand. North Korea food distribution system unbalanced supply and demand due to lack of supply so corruption happened during the distribution process supported by weak North Korean economic situation. Third, cultural reason lies in the importance of blood and school relations based upon Korean traditional culture. North Korean law prohibits this relation but this relation increase negatively. (CHAE Won Ho, SON Ho Jung, KIM Ok Il, 2006)

**Table 1 Food Supply and Demand**

YEAR	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Demand	650	658	667	672	673	670	639	650	606	613	626	632	639
Supply	443	427	388	413	345	369	349	389	422	359	395	413	425

(CHAE Won Ho, SON Ho Jung, KIM Ok Il, 2006)

**Table 2 North Korea GDP Growth Rate**

YEAR	1975	1980	1980	1985	1990	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
GDP Growth Rate	5.4	3.8	3.8	2.7	-3.7	-6.0	-4.2	-2.1	-4.1	-3.6	-6.3	-1.1	6.2	1.3	3.7	1.2

(CHAE Won Ho, SON Ho Jung, KIM Ok Il, 2006)

#### 1.4 Military First Politics, Military First Ideology Era (1995-Present)

Military first politics started in 1995. As North Korean economy recessed in 1990's, North Korea changed the laws. Constitutional amendment in 1998 resulted in the strengthening of the authority of national defense committee (NDC) and cabinet due to economic situation. Government and WPK were competitively weaker than military. As a chairman of national defense committee, KIM Jung Il concentrated on military. He also enhanced the power of the central government, which gained more control over the economic sector. This kind of system was more efficient than the former system but did not work very well. (BAIKHak, 2007) This era's significant change is military first policy. KIM Jung Il take over North Korea after KIM Il Sung died. KIM Jung Il is needed new ideological system which is military first policy. He can not be "Head" because KIM Il Sung is too big leader to North Korean. KIM Jung Il changed North Korean power system to implete military first policy. For example, he is a chairman of national defense committee (NDC) and all powers come from NDC. Before KIM Il Sung died, all powers came from WPK.

##### 1.4.1 Bureaucracy

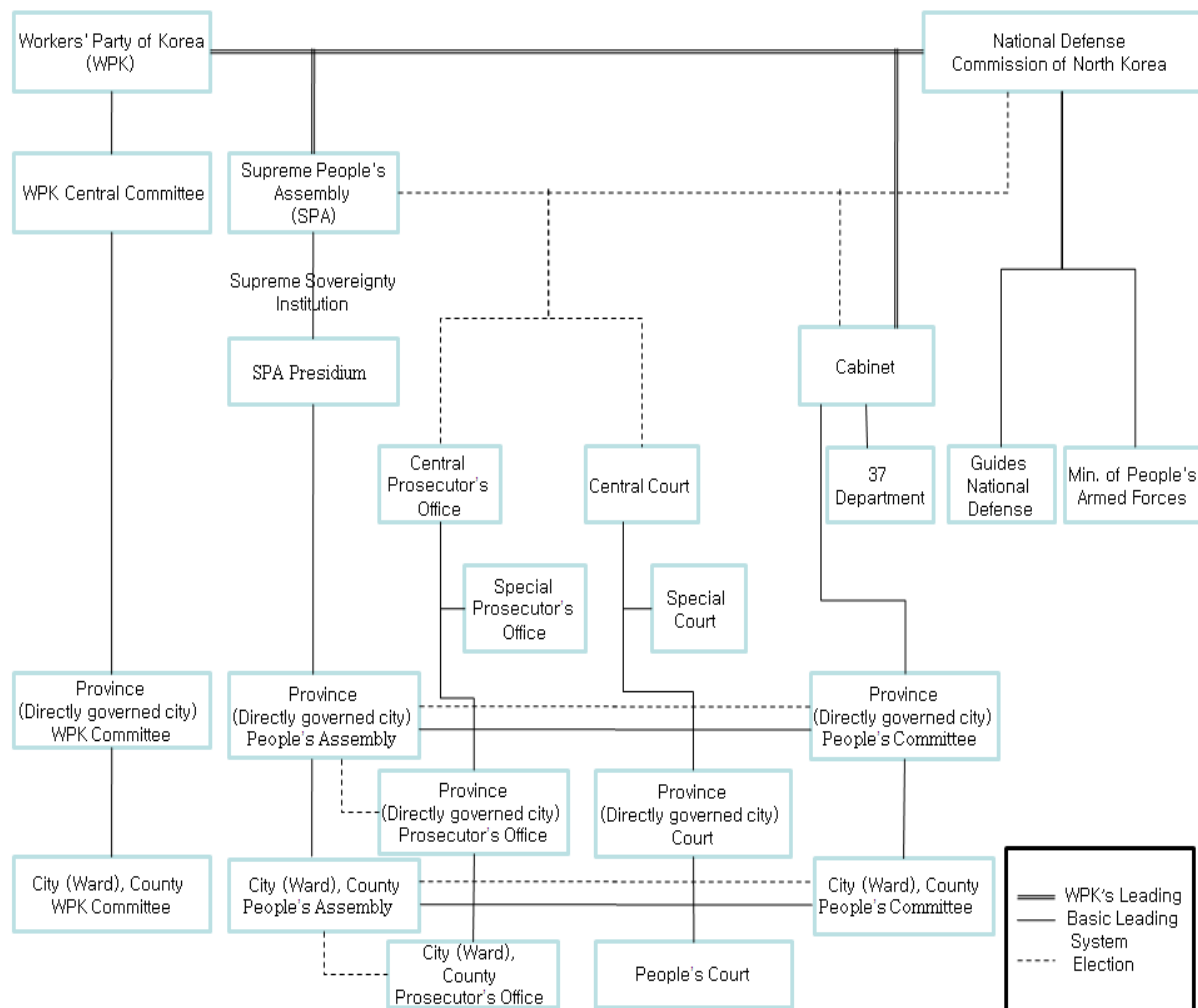
KIM Jung Il regime was leaded by charismatic leadership. But his regime depended on the military, so military became the key power of North Korea. As it is a very unique bureaucracy system, it experienced some problems. Too much budget was invested in the military and North Korean economy problems were getting more and more difficult to solve. Despite the fact that many people died of starvation, military budget increased because of maintaining his regime. At the same time, a lot of corruption cases were happening. North Korean economic system is very serious. KIM Jung Il was the chairman of national defense committee but he controlled all organizations, this system not being significantly different from the "Head" system (KIM Il Sung's power system). KIM Il Sung and KIM Jung Il's bureaucracy is nearly

same. North Korean power system is similar to absolute monarchy system. North Korean constitutional law has changed several time and they were especially the changes which happened in 1972, 1998, which allowed for monarchy system. (KIMMin, 2004) This change cannot develop North Korea efficiently. The bureaus are just loyal to their master to expand their benefit, this feature being one of the traditional problems of the bureaucracy.

## 2. Current Authority System of North Korea

### 2.1 Power Structure of North Korea

Usually, labor party is very important to a socialist state. North Korea is basically the same as other socialist states, but in North Korean military is also important nowadays due to the military first policy. North Korean legislation body is represented by supreme people's assembly, administration organization is national defense committee and cabinet, judicature organization is central court and central prosecutor's office. Democratic state power system is divided into three parts but WPK dictatorship cannot share the power. North Korea is controlled by one dictator party which is WPK so without any equilibrium in the power. (JANGUy, 2008) North Korean amendment of constitutional law in 1998, the "Head" system was abolished and divided three powers such as Chairman of NDC, Chairman of SPA presidium and prime minister. (JANGUy, 2008) But as a general secretary of WPK and Chairman of NDC, KIM Jung Il has absolute power and is the real power of North Korea. (JANGUy, 2008) North Korean WPK members are around three million and Korea people's army members are around 1.17 million. WPK, military and government organization is the base of North Korean structure. (JANGUy, 2008)



## 2.2 Relation Among Organizations

Constitutional law was changed in 1998. By this law, “the Head” system is abolished. Three powers are divided by chairman of NDC, SPA presidium and Cabinet. But real power has chairman of NDC. KIM Jong Il is chairman of NDC, general secretary of WPK and commander in chief North Korean military. As it is, NDC controls North Korea. WPK, SPA and cabinet have functions but real power comes from NDC. Judicature of North Korea relies

on SPA. SPA members elect judges and prosecutors. Their role is protecting socialist system. Cabinet is very important to North Korea economy so cabinet's role is increased recently. This organization also is influenced by SPA and NDC. Cabinet consist of three committees, thirty ministries, one central bank and one bureau. WPK power is guaranteed by constitutional law but KIM Jung Il use WPK to rule North Korea. KIM Jung Il is the leader and WPK is just simple body. WPK is core organization of most of socialist countries but WPK is also influenced by NDC in North Korea nowadays. (JANGUy, 2008)

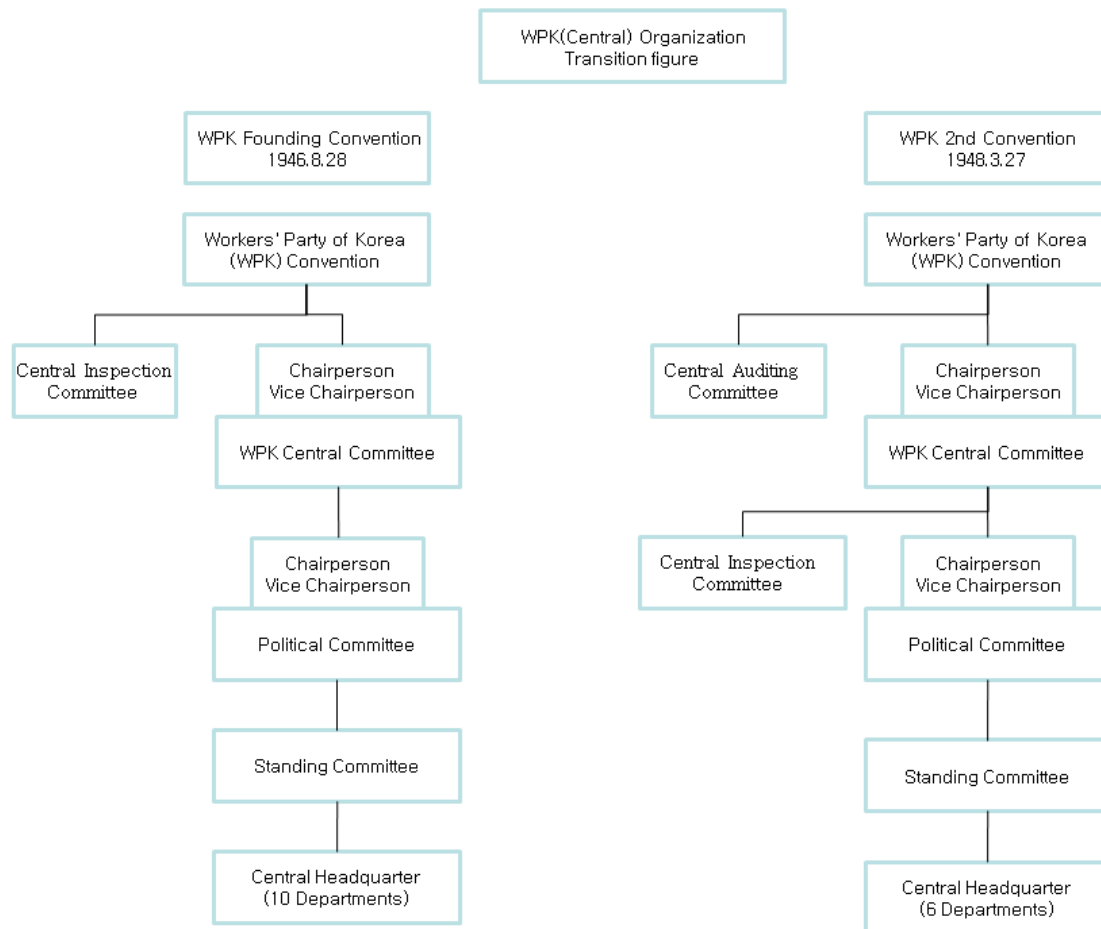
### **III. TRASITION PROCESS OF EACH ORGANIZATION**

#### **1. WPK (Workers' Party of Korea)**

##### **1.1 WPK Transition**

##### **1.1.1 WPK Organization Formative Period (1945-1950)**

After independence, WPK was marked by lack of rule and unity so the main subject of leadership became to develop socialist party. KIM Il Sung partisan group represented a North Korean branch of the socialist party. Thus, for the first time, organization was ambiguous. Lower WPK organization did not follow central WPK, therefore KIM Il Sung made effort to control WPK organization and crated WPK central committee. As a result WPK system was WPK convention - central committee - politic committee - standing committee - central headquarters. Local WPK system was that each city, province, county and cell was established head quarter. This era was very chaotic age so central concentration was just their aim. Main decisions were made by central committee, politic committee and standing committee. So called, this age's power system was collective power system. (LEEGunDae, 2007)

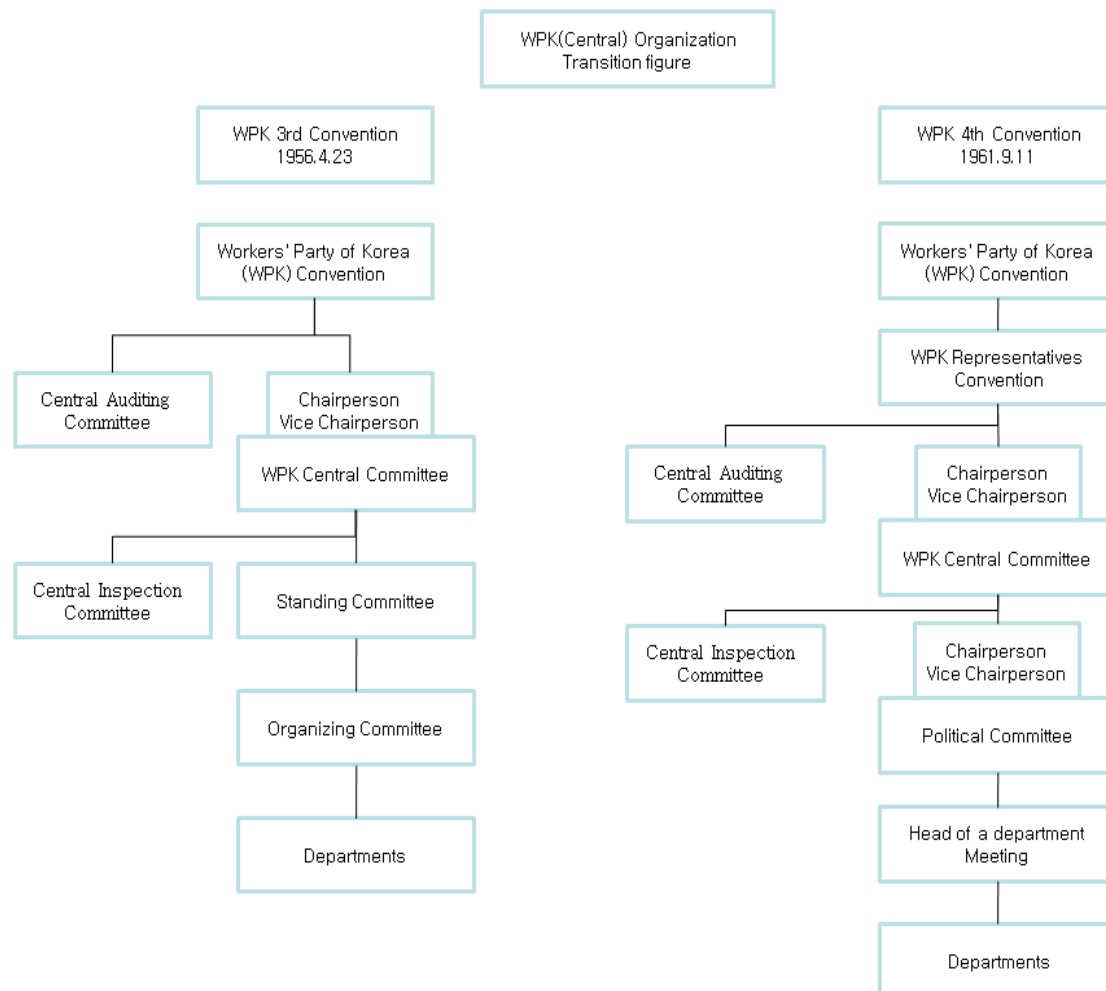


**Figure 2 WPK (Central) Organization in 1946 and 1948 (LEE Gun Dae, 2007)**

### 1.1.2 WPK Centralization and KIM Il Sung Leadership Strengthen (1950-1961)

WPK focus on centralization made it possible for KIM Il Sung's power to increase. KIM Il Sung started to control military because of Korea War failure. Initially, North Korea had advantage in the war but finally North Korea could not win the war. KIM Il Sung thought that WPK had weak power in the military, so he introduced political organization in the military. In 1956 convention, political committee was dissolved, central committee power increased and local WPK organization was officially defined. After overcoming his opponents, Kim Il Sung could control the military more directly. Through 1961 convention, WPK took control all over the country. In this era, WPK realized complete concentration and central and local organizations belonged to WPK. But central committee remained, influenced by the fact that

the countries outside of North Korea (USSR, China) kept the collective power system. Central committee was the symbol of collective power system. (LEEGunDae, 2007) Before this era, KIM Il Sung could not control WPK absolutely. During this era, he got rid of his political enemy and established ideological system. Finally he controlled WPK absolutely and WPK rule North Korea completely.



**Figure 3 WPK (Central) Organization in 1956 and 1961 (LEEGunDae, 2007)**



### 1.1.3 WPK Organize for Unique System (1962-1970)

In 1962 convention, military's role was emphasized, four main military proclaim were adopted and WPK power was concentrated into political committee in 1966. This meant the end of collective leader system. The party was lead by the bureau of secretary, which developed in 1970's. Political committee and standing committee were abolished because they had no real function. The fifth WPK convention accomplished this system which was central committee – political committee – military committee – bureau of Secretary. This system was very similar to the current central WPK organization. (LEEGunDae, 2007) Differences from other eras were general secretary of the party and general secretary of Korean workers' party oriented system. Real power came from general secretary of the party.

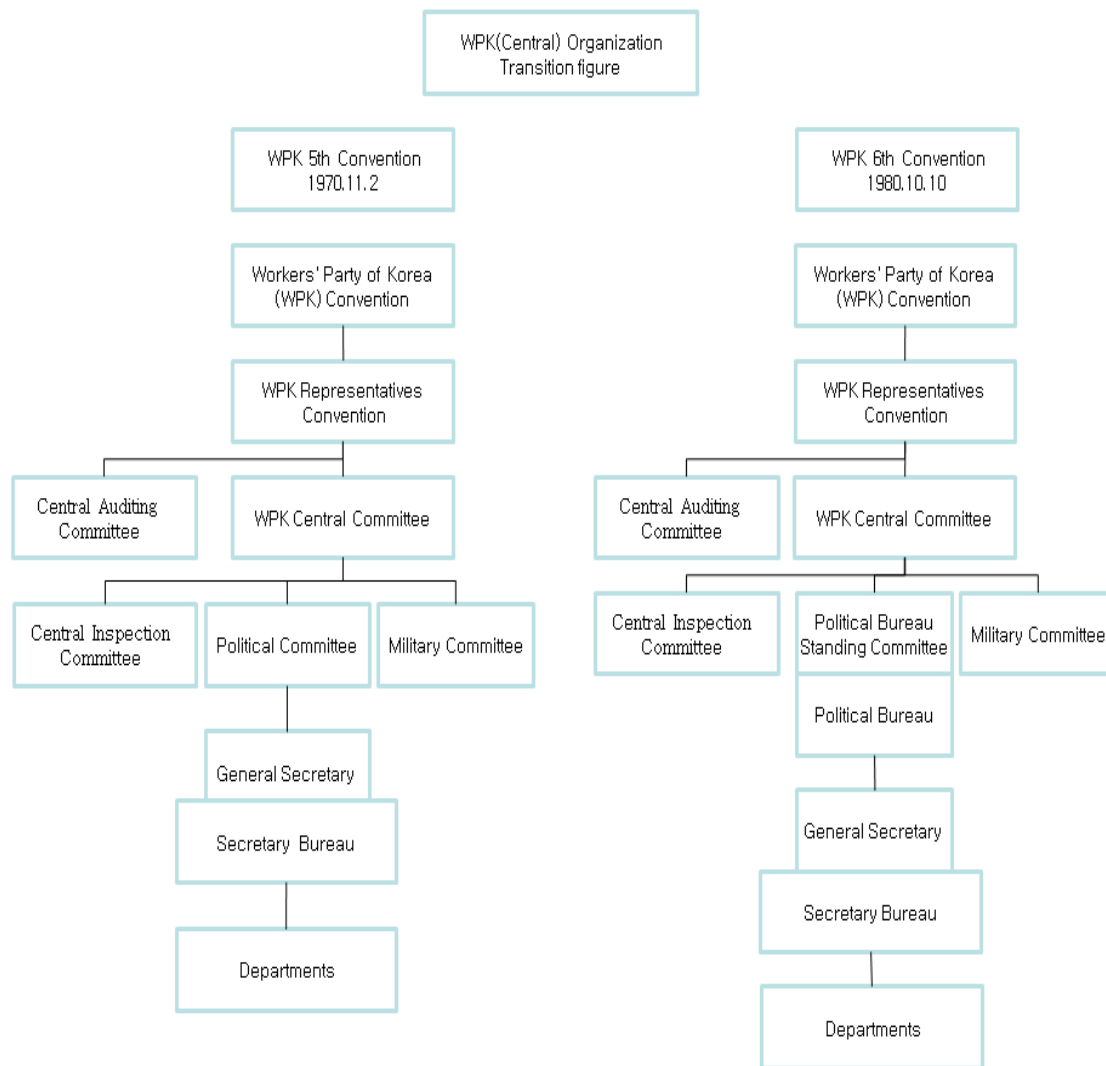
### 1.1.4 Made a Successor and the “Head” System (1971-1980)

KIM Jung Il rose up as a successor. He controlled WPK convention and WPK organization. He also changed political committee to bureau of politic and made bureau of politic standing committee. Finally he concentrated power to the minority as a preparation to take over North Korea authority. (LEEGunDae, 2007) Big change of this era was that KIM Jung Il was appointed successor of KIM Il Sung officially. He changed some WPK organizations which were mentioned. It means that his power increased significantly.

### 1.1.5 Completion on the “Head” System (1981-Present)

KIM Jung Il regime started in 1994. At that time, not many organizational changes happened, but organization power related with KIM Jung Il increased. Central committee general secretary was promoted to WPK general secretary. This meant that he became independent from the central committee and the relation between leader and organization was revised. (LEEGunDae, 2007) Character of this era is that “Head” system. It means that he

overpower WPK organization.



**Figure 4 WPK (Central) Organization in 1970 and 1980 (LEE Gun Dae, 2007)**

## 1.2 Current WPK Organization and Character

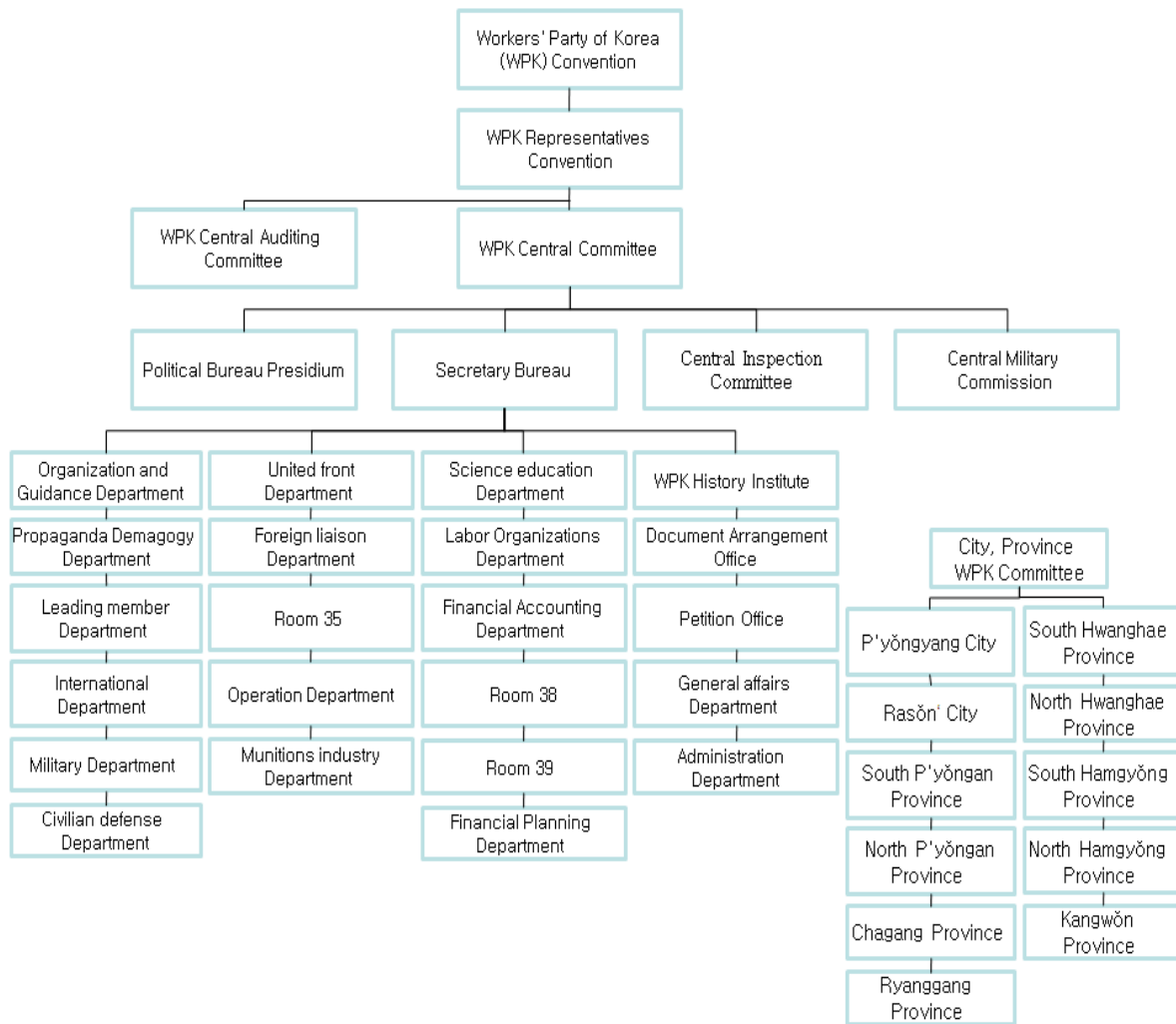
### 1.2.1 Leading Organization

The WPK leading organizations are WPK convention, central committee assembly, bureau of politics and military committee. The WPK convention is supposed to make decisions about the party policy and strategy, but in reality it just passes already decided decision. By law, WPK convention opens every year. But WPK convention has only been held 6 times in North Korea history. Central committee assembly makes WPK policy direction, and monitors

execution. But central committee assembly did not work very well, because there were too many members - 200. Bureau of politics is the core of central committee, which is only held *ad hoc*. Under normal operation, Bureau of politics is the highest authority of the power organization. However, this organization became useless and has not been held since 1994 after the unique ideal system was established. Central military committee decides the military policy, organizes military industry and leads the military. KIM Jung Il is the chairman of the Central military committee so this organization is very important. Military first policy is executed by this committee. Leading organization has no real function because of dictatorship. The head decide all decision. (LEEGunDae, 2007) (JANGUy, 2008)

#### 1.2.2 Execution Organization

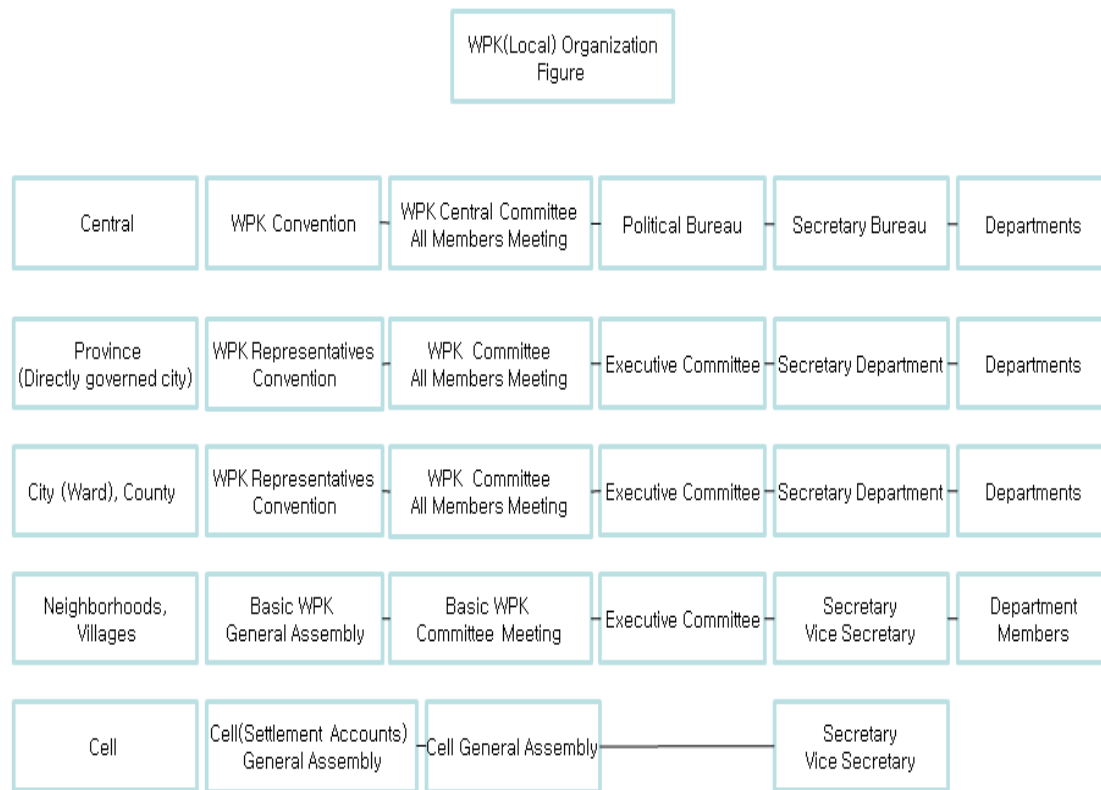
Execution organization is represented by bureau of secretary and other divisions. Bureau of secretary makes decisions about WPK human resource management and internal affairs. The number of secretaries, who control other divisions and sometimes become chairmen of other divisions, approaches 10. In reality, WPK organization, military and other organizations are controlled by a special division, which is the organization guidance department, the highest authority organization, with KIM Jung Il as its chairman. Organization guidance department controls WPK, Military, administration and economic organizations. Real command system is general secretary – organization guidance department – secretary bureau - special division – local WPK. Special department is divided into two parts, the first being party business department, the second one economic department. (LEEGunDae, 2007) (JANGUy, 2008)



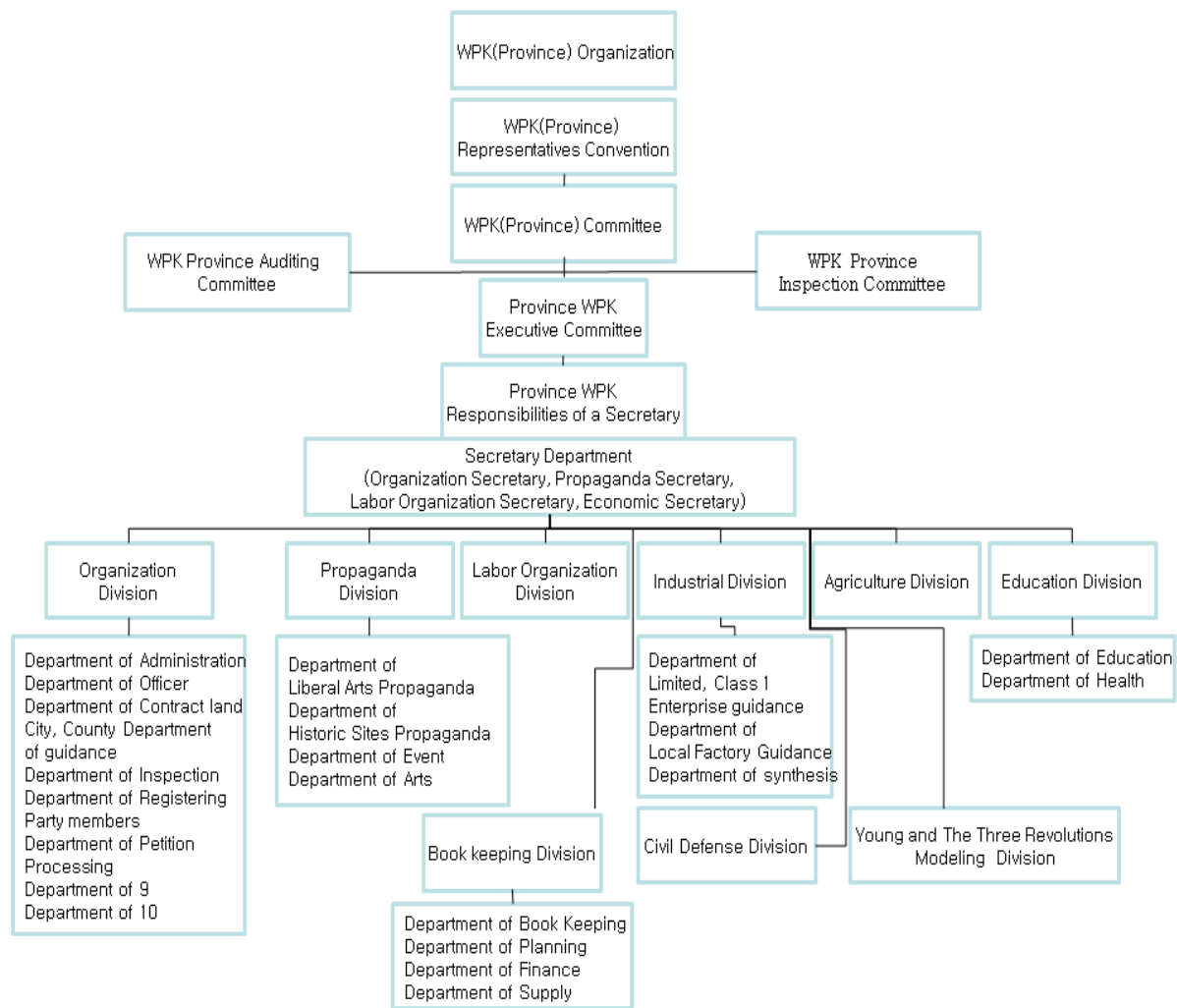
**Figure 5 WPK (Central) Organization (ReunificationMinistry, 2008)**

### 1.2.3 WPK (Local) Organization

Local organization has three steps, province WPK committee, city (county) WPK committee, and WPK lower organization. Local organization is very similar to the central organization. Local WPK organization is convention – WPK execution committee – secretary department – special department. The function of each organization is the same as central organization. Local organization is controlled by central organization. Central controls province organization. Province controls city organization. This organization is very similar to a pyramid. (LEEGunDae, 2007) (JANGUy, 2008)



**Figure 6 WPK (Local) Organization (LEEGunDae, 2007)**



**Figure 7 WPK (Province) Organization (LEEGunDae, 2007)**

## 2. Central Government

### 2.1 Central Government Transition

#### 2.1.1 Central Government Formative Period (1945-1948)

KIM Il Sung dispatched his political agents to local government and he tried to build WPK and the state. The state establishment process was not easy as there were many conflicts. He proclaimed socialist should build central government but many opponents tried to go against him, however, he was able to win over them. Finally, the socialists built a socialist state in North Korea with KIM Il Sung as a socialist leader, who responded very sensitively to any opposition and made a lot of effort to detect any opponents. At the same time, he also created

military as well as constitutional law. Though KIM Il Sung is the core of the power, collective leadership made him weak. There were many enemies during central government formative period. KIM Il sung dominated central government, however his power over this institution was competitively weak. (PARKYoung, North Korea Central State Organization, 2007)

#### 2.1.2 Korea War, Post War Recovery and Establish Central Government (1948-1972)

KIM Il Sung wanted to unite Korea, for which reason he started the Korean War. After the war, North Korean government concentrated its resources into heavy industry to develop the economy. He succeeded to get rid of the opponent faction and accomplished all industry nationalization. He had strengthened his absolute power and in 1972 made the “Head” system and controlled WPK and central government. Until this era, North Korean system was similar to Stalin system. (PARKYoung, North Korea Central State Organization, 2007) Before this era, KIM Il Sung power was not strong. His power increased significantly. Central government and WPK were operated by KIM Jung Il.

#### 2.1.3 Absolute Power and Successor (1972-1998)

KIM Il Sung completed the “Head” system in 1972 and designated his son, KIM Jung Il, a successor. Supreme people’s assembly (SPA), which is the highest sovereignty, was very weak due to WPK and the “Head” system. In mid 1970’s, North Korean economy had problems therefore economic officers were dispatched to the central government. Supreme people’s assembly members’ service period overlapped, so many first and second generation deputies stayed in the office during this era, by which KIM Jung Il increased his authority. (PARKYoung, North Korea Central State Organization, 2007) Characteristic of this era was that KIM Il Sung’s absolute power shifted authority from central government to the “Head”. In this era, he made the “Head” system official. He was preparing his son successor.

#### 2.1.4 Regime Survive Strategy and NDC, Cabinet Rise (1998-Present)

As socialist states fell, North Korea became isolated in early 1990's. Later, during 1995-1997, North Korean economy was ruined due to national disaster and many people died of starvation. Thus, KIM Jung Il started to depend on military to maintain his regime. Besides that, he also increased the cabinet role. Central government was strengthened for surviving and national defense committee and cabinet power rose. 64% of supreme people's assembly deputies changed because KIM Jung Il wanted to increase his power. The "Head" system was abolished in this era. The representation of military in the cabinet decreased due to economic crisis because they proved incapable. By 1998 constitute law, central government power was increased, nevertheless, real power still belongs to KIM Jung Il who is the chairman of NDC. (PARKYoung, North Korea Central State Organization, 2007) Many changes occurred in this era. Many young bureaucrats were promoted and constitute law was changed. KIM Jung Il made an effort to survive economic crisis. He increased central government power as well as national defense committee.

### 2.2 Central Government System and Character

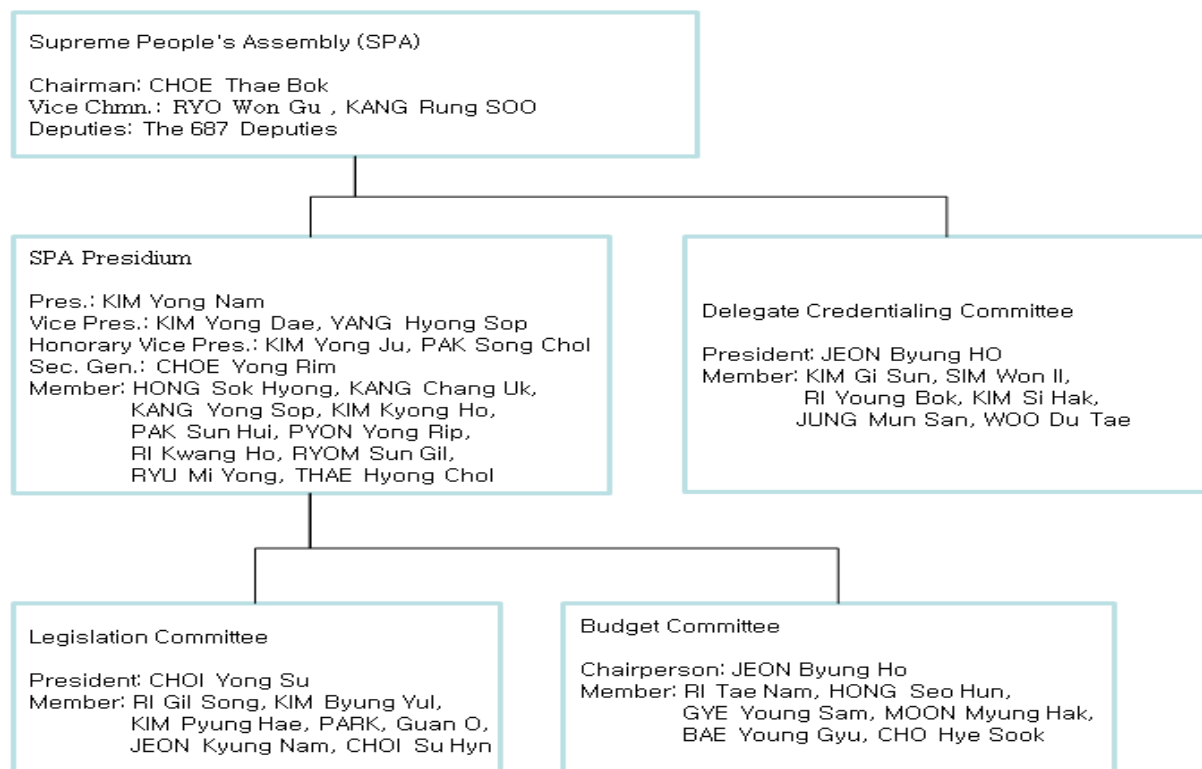
#### 2.2.1 Supreme People's Assembly

Being the copy of soviet organization, SPA is the legislator body of North Korea. As such, SPA can amend constitutional law, establish national foreign policy, make economic development plan, approve the state budget, and ratify international treaties; nevertheless, in reality, SPA just passed decision determined by WPK. The term of members is five years. SPA is the highest sovereignty organization however controlled by the chairman of NDC. (JANGUy, 2008)



### 2.2.2 SPA Presidium

In 1992 North Korea changed the law, where the significant change was the “Head” system abolition and increasing SPA presidium authority. SPA presidium deals with main national policies. The chairman of SPA presidium is foreign business representative. This authority is from the “Head”. SPA presidium can do the ratification of a treaty, appointing ambassadors, giving honor, and medal. This authority is from the central peoples committee. SPA presidium is alternative power when SPA adjournment. This power is very wide power except national defense committee duty. By the constitutional law, SPA presidium controls cabinet, committee, court, prosecutor’s office and etc. This organization has absolute power. NDC is the only part independent from the SPA presidium. The representative of North Korean central government is the chairman of SPA presidium, still this man is also controlled by the chairman of NDC. (PARKYoung, North Korea Central State Organization, 2007)



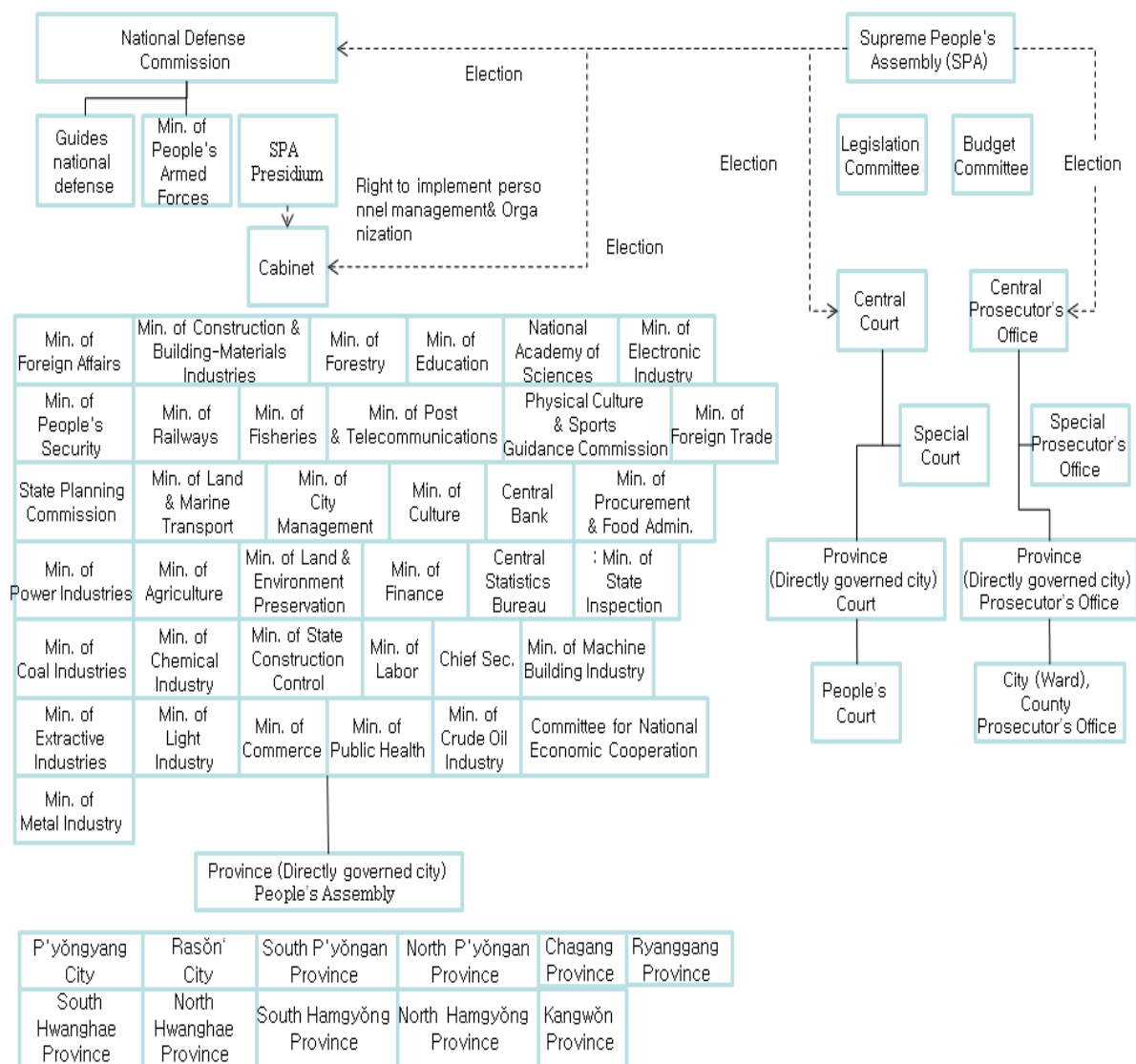
**Figure 8 SPA and SPA Presidium Organization (ReunificaitonMinistry, 2008)**

### 2.2.3 National Defense Committee

NDC is the highest Military organization. KIM Jung Il was inaugurated in 1993, after which NDC power increased. The chairman of NDC is the highest authority of North Korea sovereignty; NDC controls military and business, appointing officer, giving mobilizing order and etc. Since North Korea is in a dangerous situation because of variety of aspects, military is the most important state organization. The chairman of NDC is the real ruler in North Korea. (PARKYoung, North Korea Central State Organization, 2007)

### 2.2.4 Cabinet

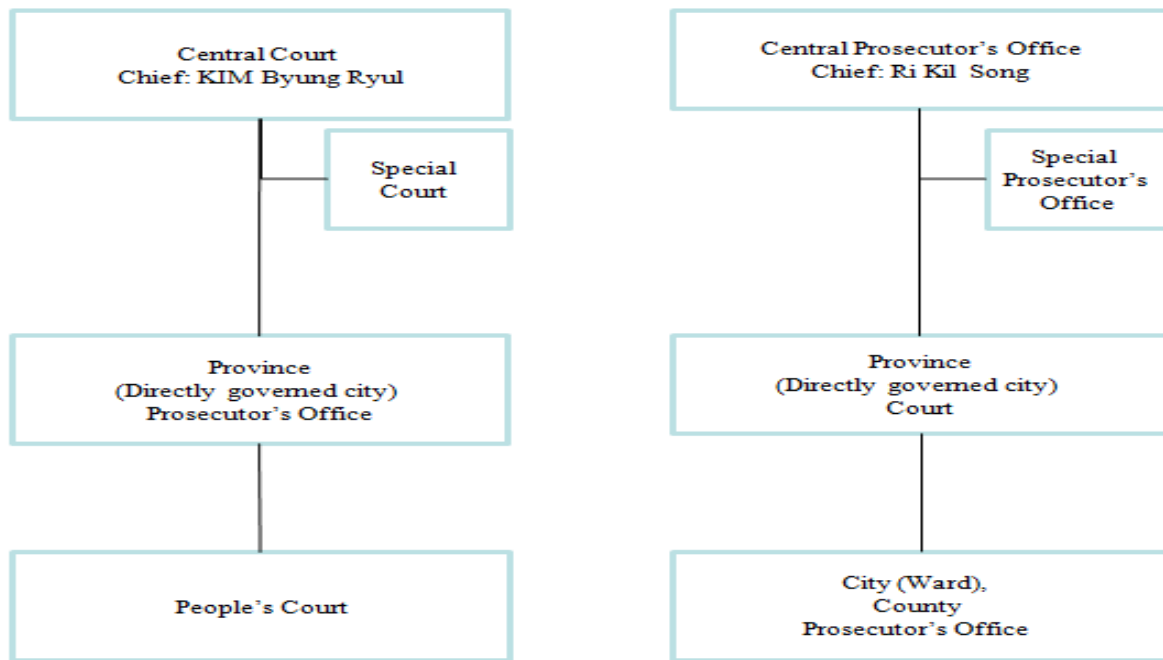
Cabinet is the administration execution organization with a prime minister as the representative of the government. The cabinet has the authority to execute the state policies, control ministries, execute the economic development plan, national budget, and monetary policy, and maintain social order. (PARKYoung, North Korea Central State Organization, 2007)



**Figure 9 NDC and Cabinet Organization (Reunification Ministry, 2008)**

### 2.2.5 Central Court and Prosecutor's Office

Prosecutor's office consists of central, province, city and special prosecutor's office. SPA appoints the chairman of central prosecutor's office. This organization is controlled by WPK. Central court is the same as other country's court. Judge is elected by people's assembly. North Korean court consists of central, province, city and special court. North Korean central court chairman is appointed by SPA. (PARK Young, North Korea Central State Organization, 2007)



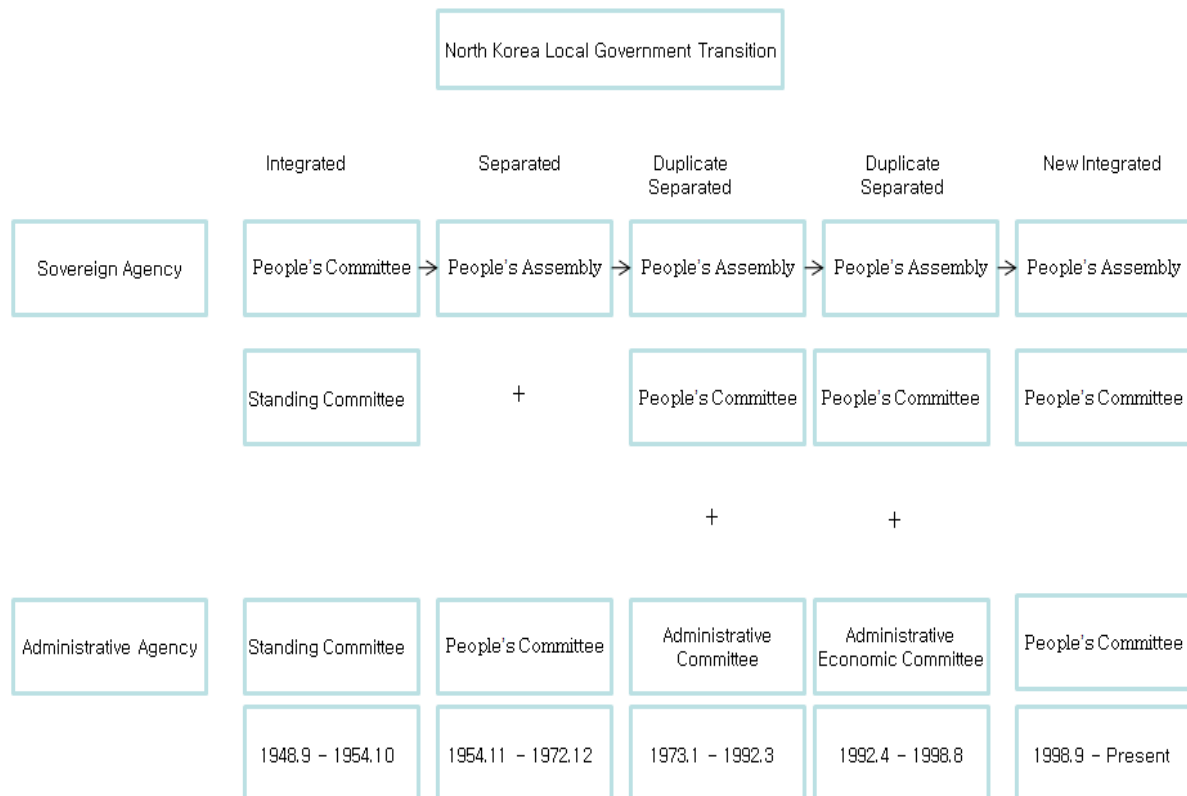
**Figure 10 Central Court and Central Prosecutor's Office Organization**

**(ReunificaitonMinistry, 2008)**

### 3. Local Government

#### 3.1 Local Government Transition

Local government transition is displayed in figure 11. Local government situation changed due to the political situation development. When central power increased, local power decreased, thus, central and local powers move in the opposite direction. (PARKYoung, North Korea Local State Organizaton, 2007)



**Figure 11 Local Government Transition (PARKYoung, North Korea Local State Organizaton, 2007)**

### 3.1.1 Local Government Formative Period (1945-1950)

After gaining independence from the Japanese ruling, KIM Il Sung created the people's committee, which met *ad hoc*. Local government was established in 1946, and province, city and county people's assembly elections were held. In 1947, KIM Il Sung made North Korea temporally government party convention, in which he proclaimed local government organization principles. Local sovereignty organization made people's committee and standing committee. The role of people's committee was very vague, since this committee was not only an execution organization but also an administration organization. During this era, North Korean local government was competitively free from the central government, because North Korean central power was not concentrated in one person. (PARKYoung, North Korea Local State Organizaton, 2007)

### 3.1.2 Korea War and Central Government and WPK Control (1950-1961)

During Korean War, which started in 1950, military committee controlled all organizations, therefore local government was supposed to follow it. North Korean central government tried to take direct control over the local government. After Korean War, SPA proclaimed that local sovereignty comes from people's assembly and that people's committee will be the administration organization, thus, SPA defined the role of local government. In this era, KIM Il Sung overcame his opponents and strengthened his control over the local government. As a result, local organizations were monitored by two organizations such as WPK and central government. (PARKYoung, North Korea Local State Organizaton, 2007) Things that were changed in this era that one was dual monitoring by central government and WPK. The other was that WPK officers were increased and decreased bureaucrat in local government. It means WPK controlled local government.

### 3.1.3 Dual Control Strengthening and Economy Independence (1961-1990)

During this period, KIM Il Sung overcame his opponents and his power increased significantly. At the same time, dual control over the local government was also enhanced and KIM Il Sung made the "Head" system. He separated people's committee from the local government, the chairman of local WPK holding an additional position to people's committee. People's committee existed but in a separate way; other administration bodies were also established directly control the local government. North Korean government constructed local factories to boost economic independence. Central government exercised direct control over the local government except the independent economy. (PARKYoung, North Korea Local State Organizaton, 2007). Interesting changing was ambilateral attitude to local government. WPK and central government were not only interfering to the local government but also assuring local economic independence.

### 3.1.4 Economic Crisis and The Release of Control (1990-Present)

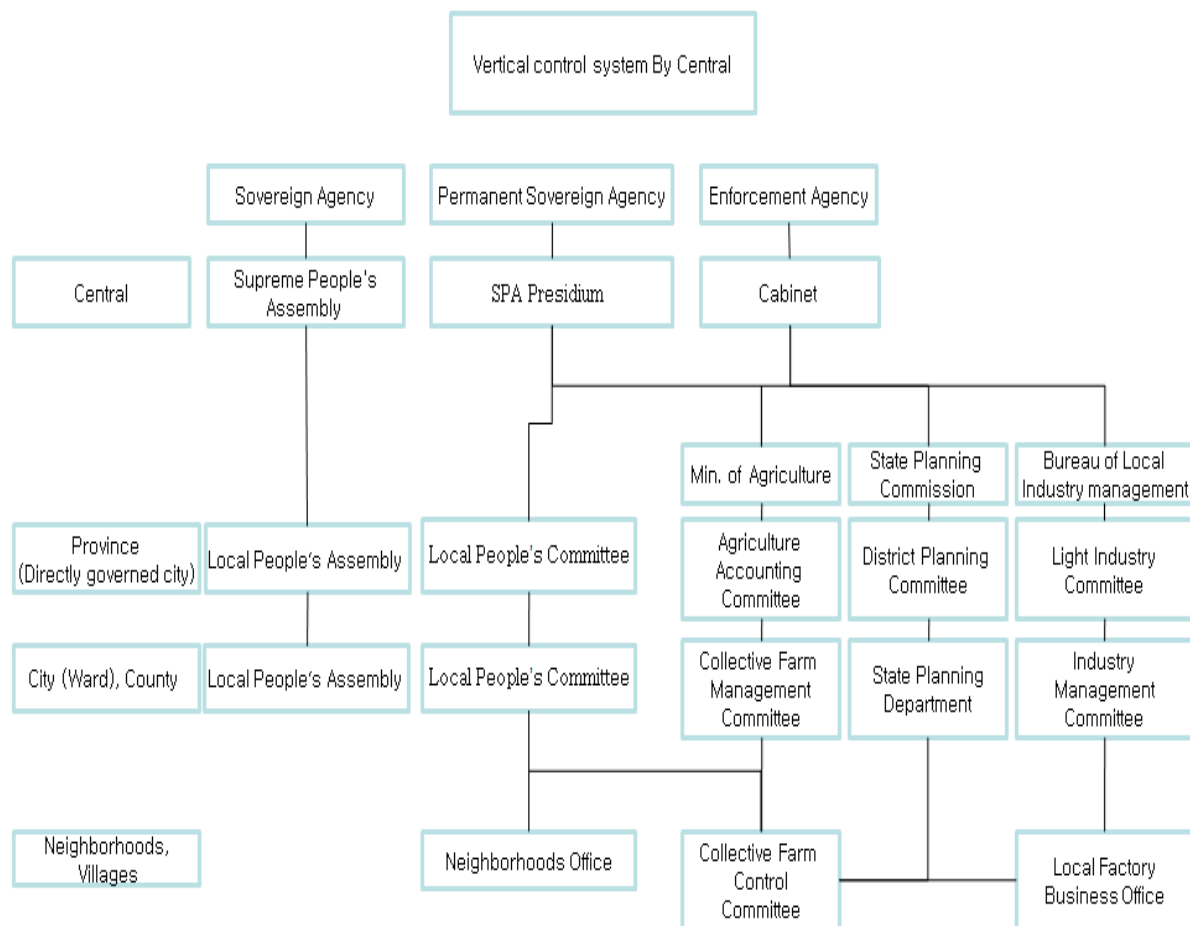
Central government direct control over the local government was weakened due to the economic crisis in 1990's. Local government administration abolished other organization in the local administration such as WPK, and the role of WPK and the government was separated in local areas. Central government's monitoring was weakened but North Korea military first policy interfered with the local government and local factories in the same way and to the same extent as before. (PARKYoung, North Korea Local State Organizaton, 2007)

Main difference from other era is release of contronl. Economy was very bad this era so local government control was weakened. Even though black marke was generated, local government had no power to control it.

## 3.2 Character of Local Sovereignty Organizations

### 3.2.1 Local People's Assembly

By Local people's assembly authority, the execution of local sovereignty and administration organization's decisions follows the central government command. But local people's assembly role is very small. The assembly only meets once or twice a year and only passes the upper organization's decisions. While SPA has several committees, the local organizations do not. (PARKYoung, North Korea Local State Organizaton, 2007)

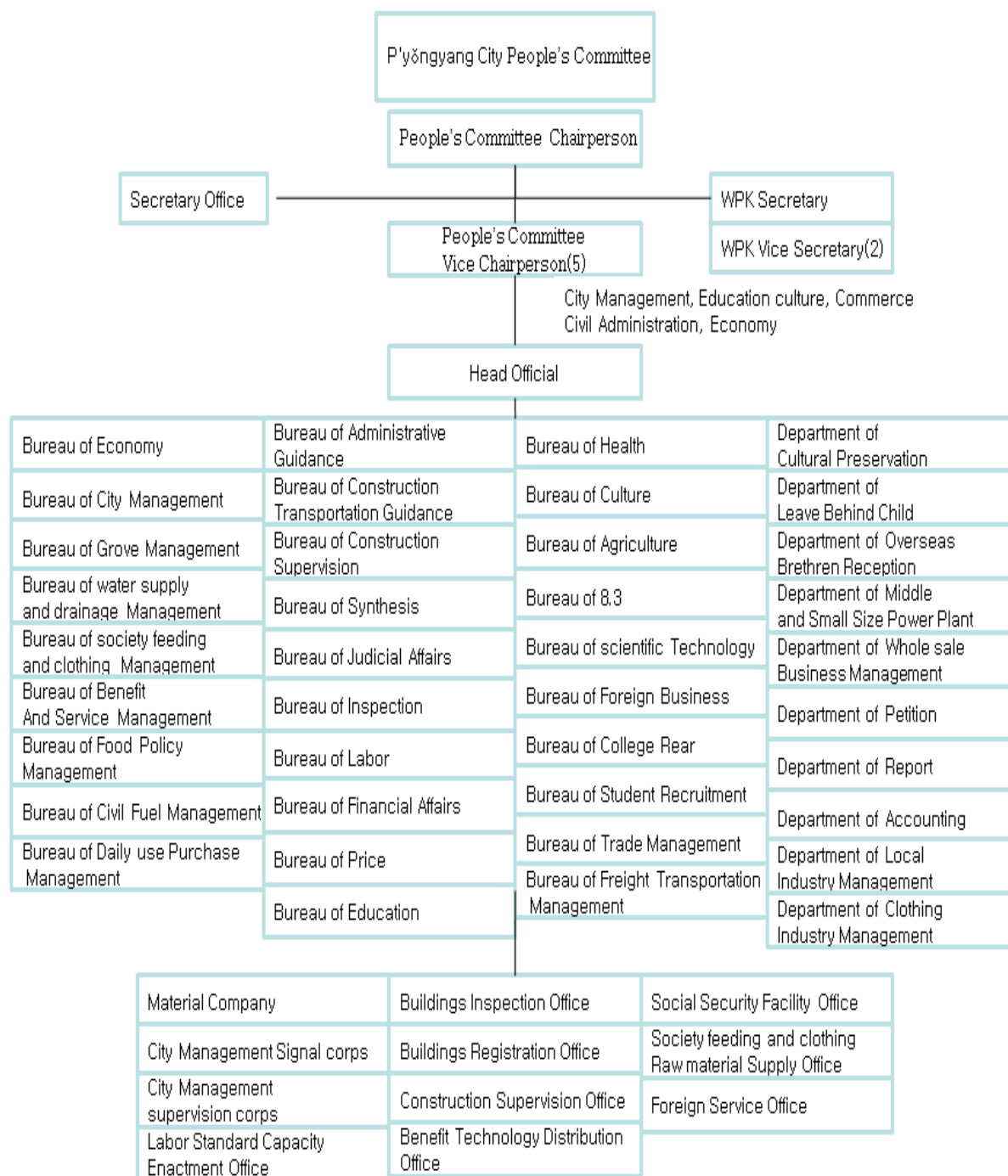


**Figure 12 Vertical Control System by Central government**

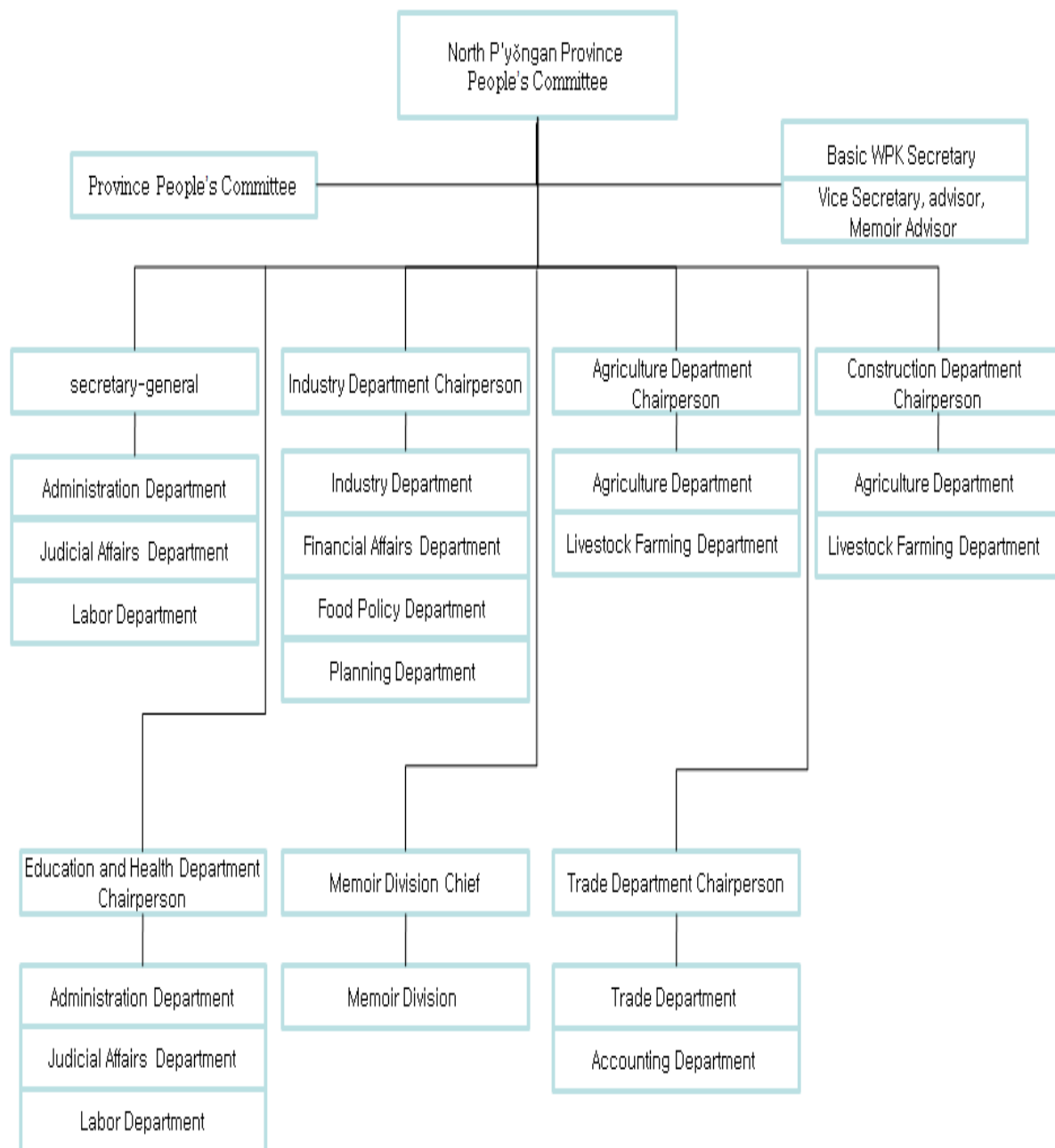
### 3.2.2 Local People's Committee

Local people's committee is similar to the central people's committee. This organization has the right to summon people's assembly, elect local people's assembly deputies, execute local people's assembly affairs, organize local administration etc. Figure 13, figure 14 and figure 15 provide the examples of the local people's committee. (PARKYoung, North Korea Local State Organization, 2007)

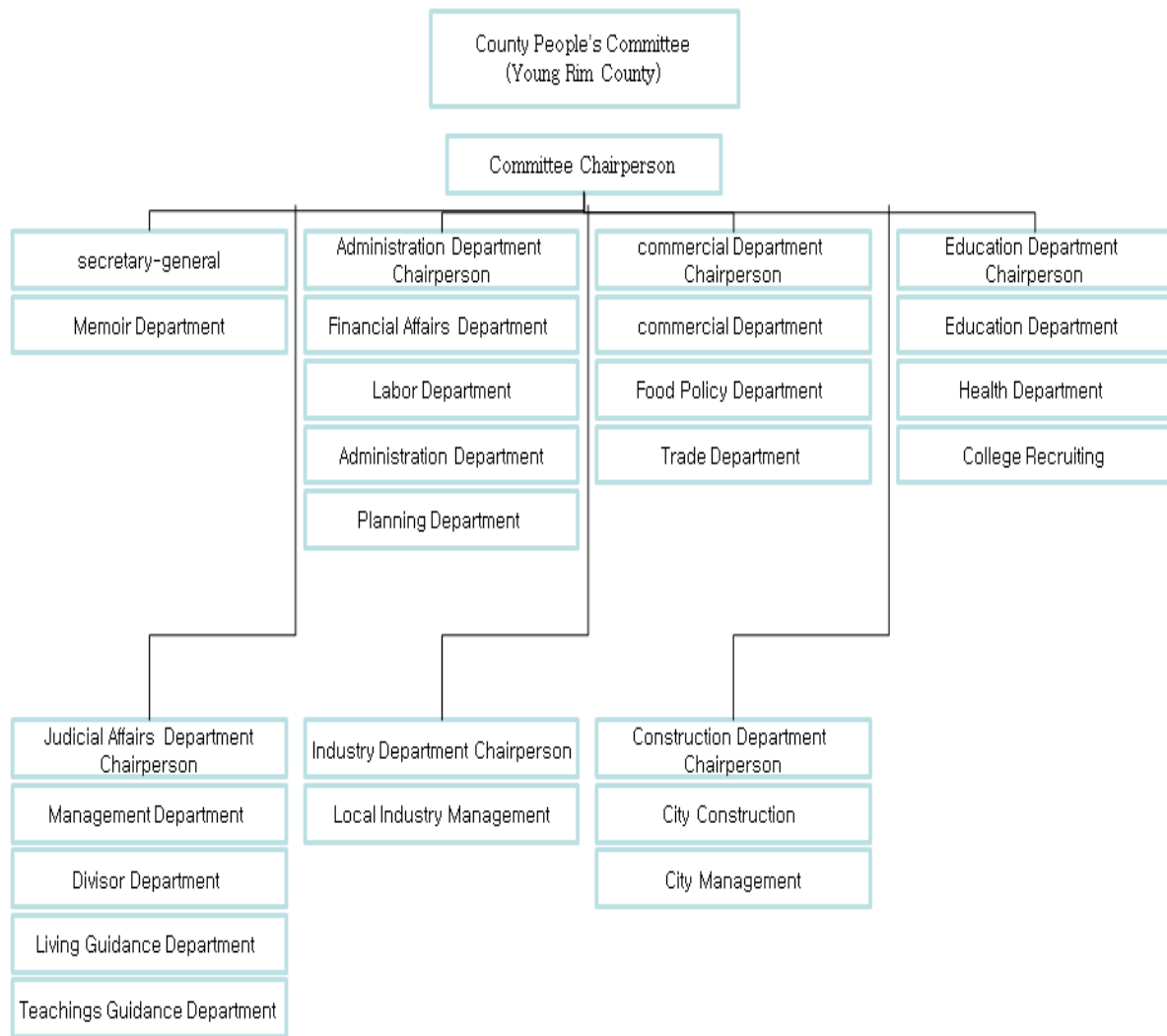




**Figure 13 P'yŏng yang City People's Committee (PARKYoung, North Korea Central State Organization, 2007)**



**Figure 14 North P'yŏngan Province People's Assembly (PARKYoung, North Korea Local State Organizational, 2007)**



**Figure 15 County People’s Committee (PARKYoung, North Korea Local State Organizaton, 2007)**

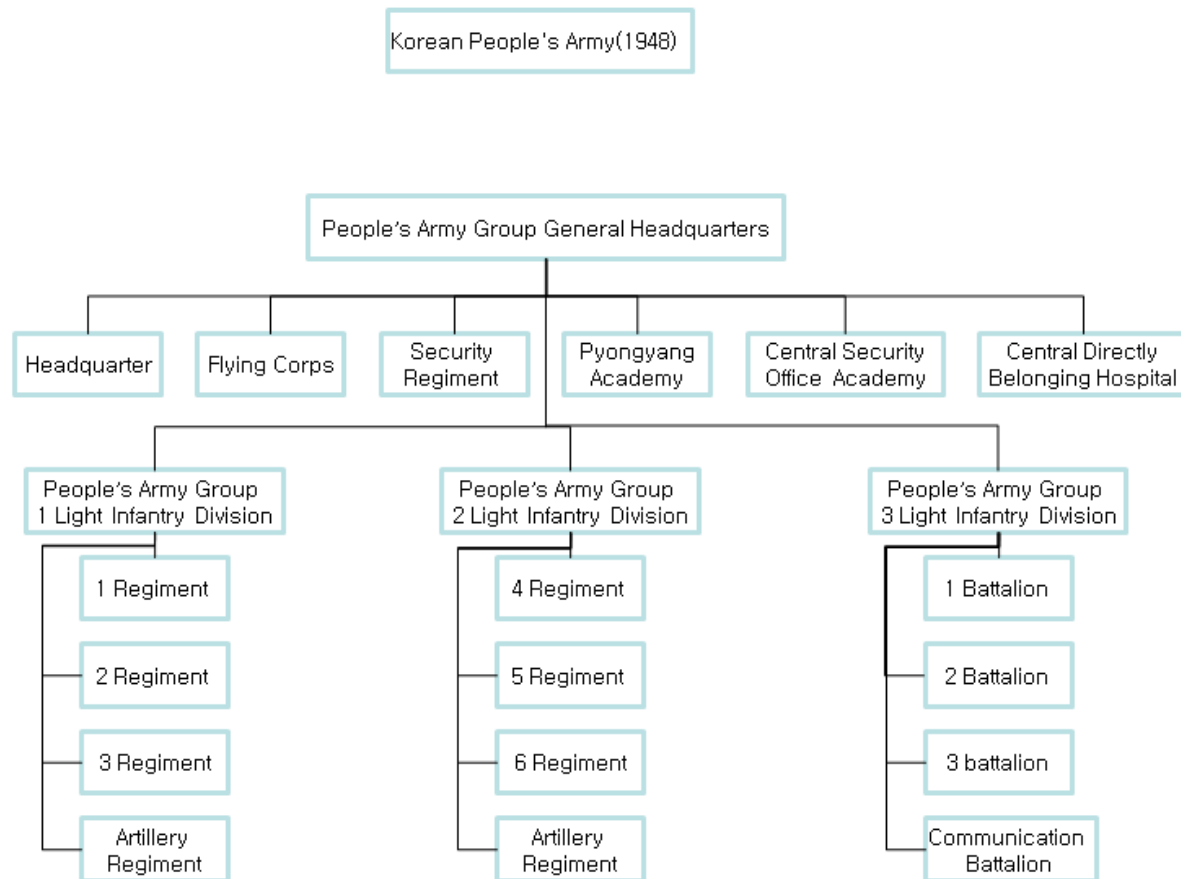
#### 4. Korean People’s Army

##### 4.1 Korean People’s Army Transition

##### 4.1.1 Military Establishment (1945-1950)

Korean people’s army was established in 1948. The Soviet Union helped to establish the military in North Korea and monitor it. Military was established before establishment of the North Korean government. KIM Il Sung tried to make the military for the people, by which it differentiated from other capitalism country’s military. (JUNGSung, 2007) But his original

aim was to increase his power. During this era, military organization was very simple. Main fighting power was the army, so military organization was established mainly by the army, such as example, infantry, and regiment artillery. Air force and navy power was very important now but this age KIM Il Sung failed to notice the importance. This is one of the failures of the Korean War, though North Korea and China had lots of troops.



**Figure 16 Korean People's Army in 1948 (JUNGSung, 2007)**

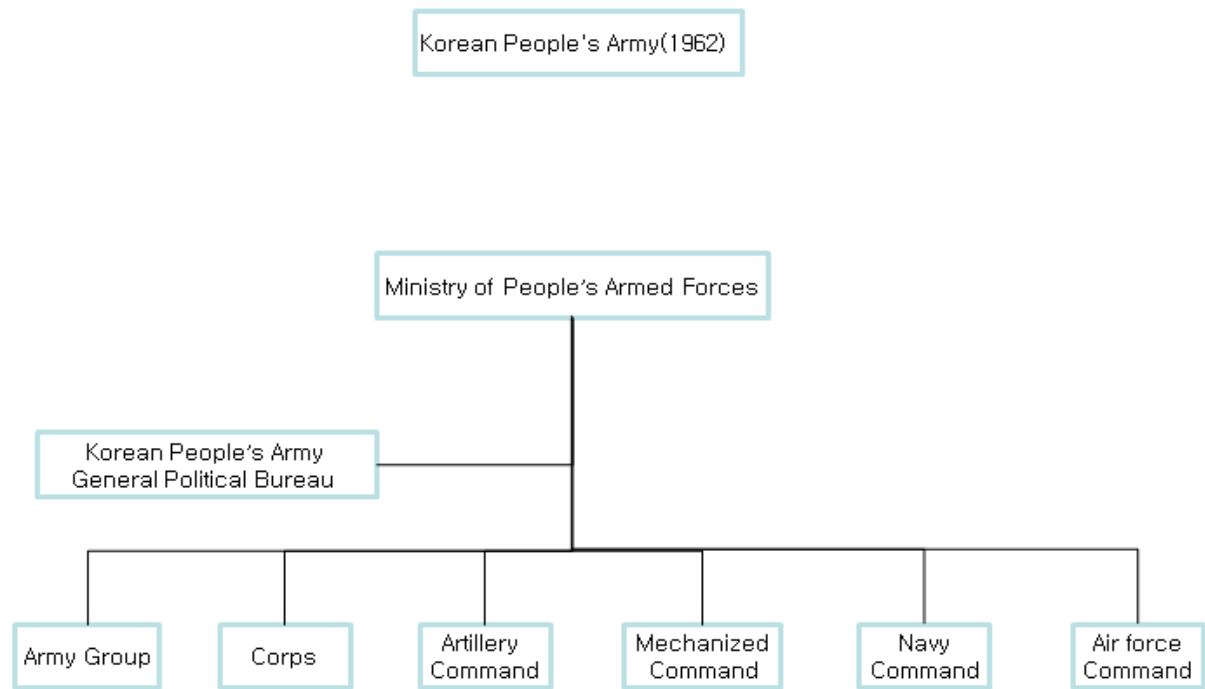
#### 4.1.2 Korea War and Recognition to Change in Military (1950-1953)

Korean War happened because of KIM Il Sung's request, Soviet admission and assistance from China. North Korea was influenced by Soviet and China. KIM Il Sung gave operation authority to North-China combined command. KIM Il Sung concentrate WPK problem. He got rid of opponents and strengthens power of military. He established a party in the military. (JUNGSung, 2007) Special feature of this era was that WPK tried to control military. WPK

establishes its political organization in the military and monitor it.

#### 4.1.3 Rebuilding in Military Power and Influence to Military by WPK (1953-1962)

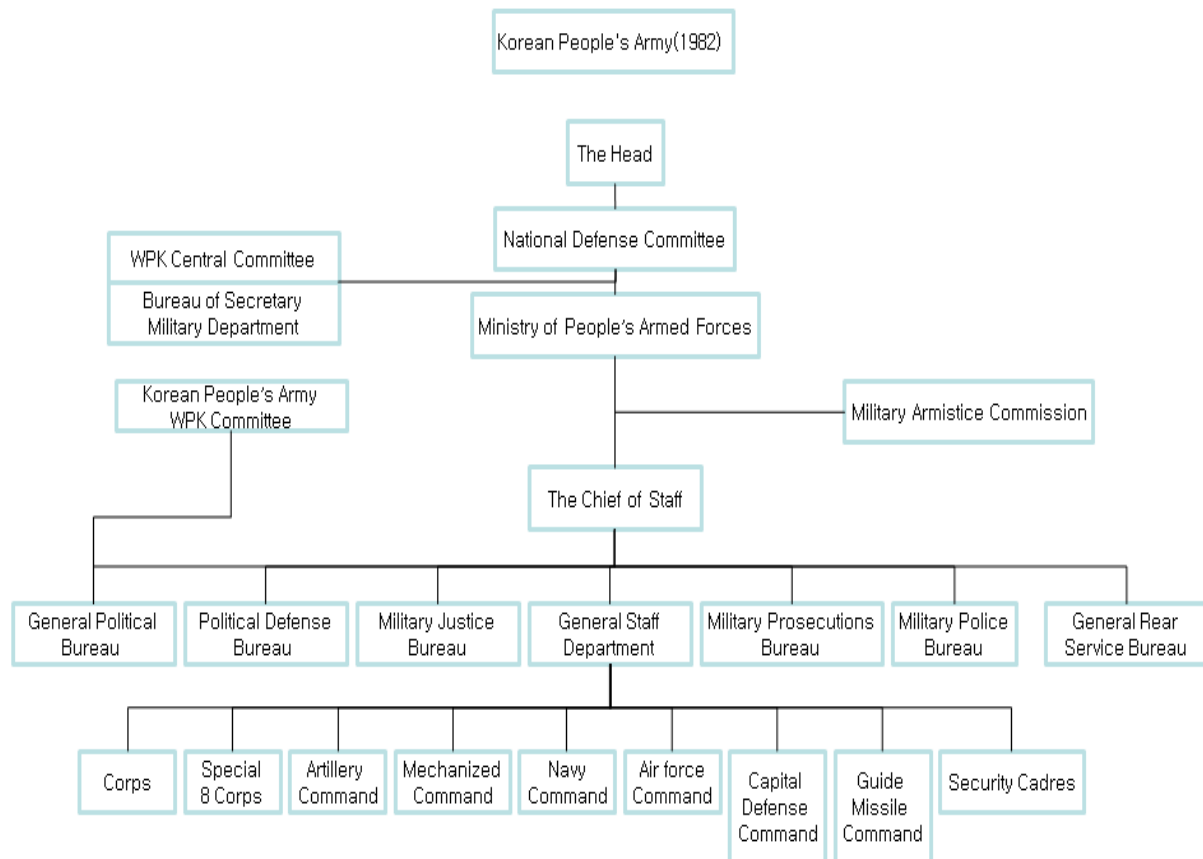
After Korean War, KIM Il Sung focused on increasing military power and strengthen Ideology. He eliminated his opponents. He made party committee in the military to control military effectively. This committee controlled by WPK standing committee in the central committee. (JUNGSung, 2007) He changed military organization like figure 17. He realized combination of air force, navy and army through the War. North Korea nearly won the War. However, North Korea's main strong point was army. North Korea could not win the War finally. Figure 17 explains that what was important to the War. Main difference was navy and air force. The U.S navy power made Inchon landing operation possible. This was turning point in Korean War. Air force was one driving force that deterred North Korean army. South Korea and U.S allies had small troops but allied succeeded in depending the North Korea invasion. Main changing was that increasing military power and controlling military by WPK. First, North Korea increased military unit and air force power. KIM Il Sung regretted very much lack of air force power in Korea war. Second, he eliminated his opposite military officers to control military absolutely.



**Figure 17 Korean People's Army in 1962 (JUNGSung, 2007)**

#### 4.1.4 Military Modernization (1962-1994)

International environment was so bad due to Cuba missile crisis, China – Soviet conflict, 5.16 coup d'tat. So KIM Il Sung decided military modernization to increase North Korean military power. He proclaimed four military policies in this era. (JUNGSung, 2007) Military organization was changed a little bit in this era. The “Head” system was established. WPK central committee interfered in the military. Political line was improved in this era. This explained that KIM Il Sung absolutely dominated military. Military organization was very similar with recent organization except the “Head”. Main difference was military modernization. Weapons were obsolete. International societies were changing rapidly. KIM Il Sung emphasized military transformation.



**Figure 18 Korean People's Army (JUNGSung, 2007)**

#### 4.1.5 Economic Crisis and Expand Military Role (1994-Present)

Military first policy starts this era. Many western countries put pressure North Korea. He stressed importance of military. Economic crisis was one of main reason of military first policy to maintain his regime. (JUNGSung, 2007) North Korean military highest organization is NDC. All operation command comes from NDC, so the interesting point is that the navy and air force are not independent. It could be effective control by central, small organization and etc. Characteristic of this era is military first policy. KIM Jung Il largely depends on military so NDC's power is increased.

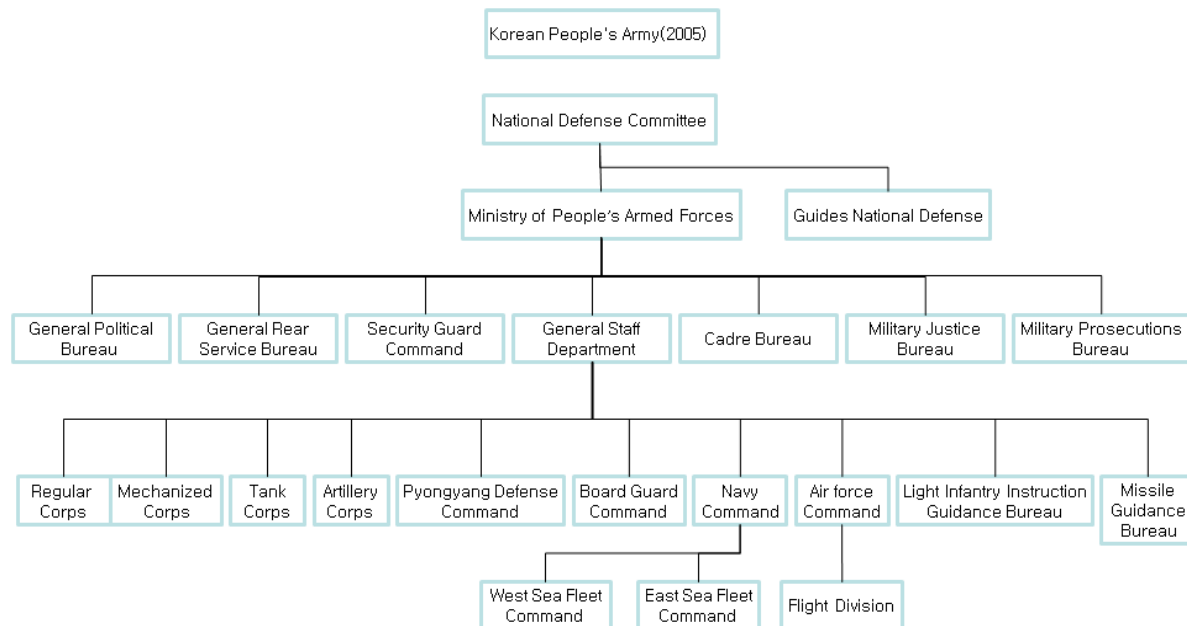


Figure 19 Korean People's Army Present (DefenseMinistry, 2006)

## 4.2 Korean People's Army Organization and Character

### 4.2.1 National Defense Committee

NDC is the highest military organization. KIM Jung Il who is chairman of NDC control all military business and command. General staff command to the lower unit such as army, navy, air force and missile guidance bureau. Ministry of people's force has military administration, general staff department has military command and general political bureau has politic and ideology control. (JUNGSung, 2007)

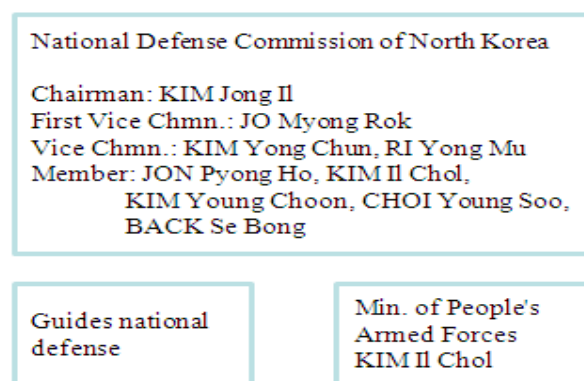
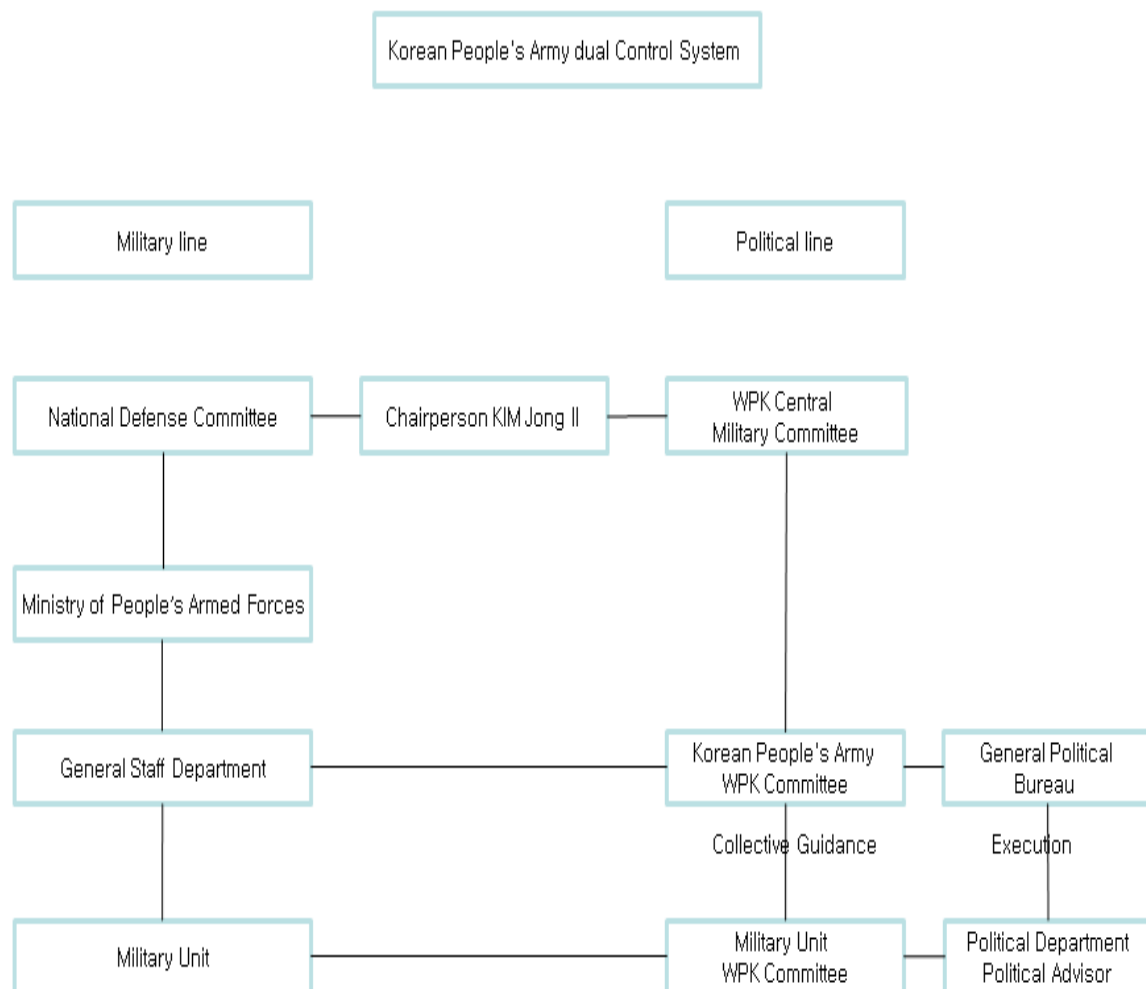


Figure 20 NDC of North Korea (ReunificaitonMinistry, 2008)



#### 4.2.2 Military Command System

North Korean military command system is dual control system. Military is controlled by WPK and state organization. Military has military line and political line. Commander controls their unit and WPK committee members do political business. It means WPK controls military. Military dual monitor is very severe due to maintain his regime. (JUNGSung, 2007) This system has some problem. Lower officers are confused to command system. One line command is very essential to the military. KIM Jung Il feels fear of Military against.



**Figure 21 Korean People's Army dual Control System (JUNGSung, 2007)**

#### **IV. FUTRURE DIRECTION FOR NORTH KOREA'S GOVERING**

##### **STRUCTURE**

###### **1. Future Environment**

North Korea confronts new environment. International relation purses their own profit so Korea reunification is very difficult. Most of countries do not want to Korea reunification. China especially hates Korea reunification because the border would be very close to U.S. China feel fear of this situation. Russia also does not want reunification. Eastern Europe countries are familiar with U.S. Some countries planned to participate in MD (Missile Defense). Recently, Russia attacks Georgia because of territory. But real reason is that Georgia is familiar with U.S. Japan do not want Korea reunification. One Korea is very threat to Japan. North Korea proclaimed that they have nuclear weapons. This is very big threat to Japan. U.S maybe likes to Korea reunification but they cannot use East Asia tension after reunification. U.S uses this tension so they sell their weapon to the alliance. After Korea reunification, East Asia tension will be decrease. As a result, U.S will decrease weapon sales in East Asia. North Korean future is very important to the outskirt of Korean peninsula. To analysis North Korean future, we need some premises especially divided two factors such as external factor and internal factors.

## 1.1 External Factor

### 1.1.1 Solving North Korea Nuclear Crisis.

Several months ago, North Korea agreed with U.S demolishes nuclear facility so North Korea destroyed cooling tower. But North Korea did not their promises completely. North Korea has still plutonium and did not destroy nuclear facility. They use this for negotiation. So this study's future environment will be North Korea fully completes solving nuclear problem.

### 1.1.2 Improving U.S and North Korea Relation.

This relation is very important. East Asia tension's one of main reason is U.S – North Korea bad relationship. North Korea is far weaker than U.S but North Korea is located in among China, Russia, South Korea and Japan so North Korea uses cliff strategy. They have nothing to lose. Like this North Korea – U.S relation is very important.

### 1.1.3 Successive Six Party Talks.

Six parties consist of South Korea, North Korea, China, Russia, Japan and U.S. This convention is very important. Six countries perusing profit is very different to each country therefore happy ending is very difficult. Once six countries come to an agreement, North Korea is more stable than now so analyzing is comfortable.

## 1.2 Internal Factor

### 1.2.1 South – North Korea Tension Release.

Last 60 years, South and North conflict and maintain tension. Still Korea situation is not good. KIM Dae Jung and RHO Moo Hyeon government maintain “Sunshine Policy”. North Korea looks like to change but not much. LEE Myung Bak government maintains reciprocity

but North Korea criticizes South Korean government. This situation will be change. If not, North Korea maintain current situation. On that account first premise is South – North tension release.

### 1.2.2 North Korea Economic System is Change.

North Korea economic system is copy version of Stalin socialist system. However, most of these socialist countries failed or disappeared. North Korea is the only country maintaining this system so North Korean economic situation is very bad. China and Vietnam changed many years ago therefore China and Vietnam economic growth rate is so fast. Especially China growth rate is miracle. This year China is host of Beijing Olympic 2008. China is still socialist country. Thus North Korea should change their economic system. If not, their economy will collapse near future. Their economic situation is not good. For that reason, KIM Jung Il dependent to Military. KIM Jung Il's policy is military first policy to maintain his regime. But it cannot maintain long time because military cannot rebuild North Korean economy. KIM Jung Il poured the money to develop nuclear weapon. This is the worst decision. He is naïve. If he develops nuclear weapon, he will be more trouble in economically and politically.

### 1.2.3 KIM Jung Il Alive

This study premise is that KIM Jung Il is alive. KIM Jung Il alive is very important. It is some rumor about to KIM Jung Il such as KIM Jung Il illness or death nowadays. It is issue all over the world. KIM Jung Il has absolute power in the North Korea. He did not make his successor successfully. In consequence, his sudden death makes chaos to North Korea. It is difficult to image the future. Some study expects some scenarios but this study's premise is KIM Jung Il alive.

## 2. Suggestion to Future Relation Among the Power Organization

### 2.1 Suggestion to Between NDC (Military) and SPA (Central government) Relation

National defense committee is really the highest power organization and supreme people's assembly is representative of North Korean sovereignty. Chairman of NDC is KIM Jung Il so NDC power is the highest.

#### 2.1.1 SPA Independence from the NDC is Very Important

SPA is just following the KIM Jung Il's decision. North Korea confront economic crisis. North Korean growth rate is very low and sometimes minus growth. SPA is legislation organization but SPA elect cabinet member. Cabinet is central government organization. NDC's power is too much high in North Korea. NDC member is not specialist in economy therefore independence of SPA from is very important. SPA should elect very talent people to the cabinet. NDC should not interfere with SPA. KIM Jung Il maybe dislike this otherwise KIM Jung Il has no option. NDC bureaucratic officer is not specialist in the economy. "11 periods SPA appointed new prime minister who is KIM Young Il. He is from economic bureau. This appointing is positive to economy but he is not free from KIM Jung Il's influence." (DONGYoung, 2007. 5) KIM Jung Il should decide SPA independence from the NDC otherwise North Korean economy as well as NDC cannot survive.

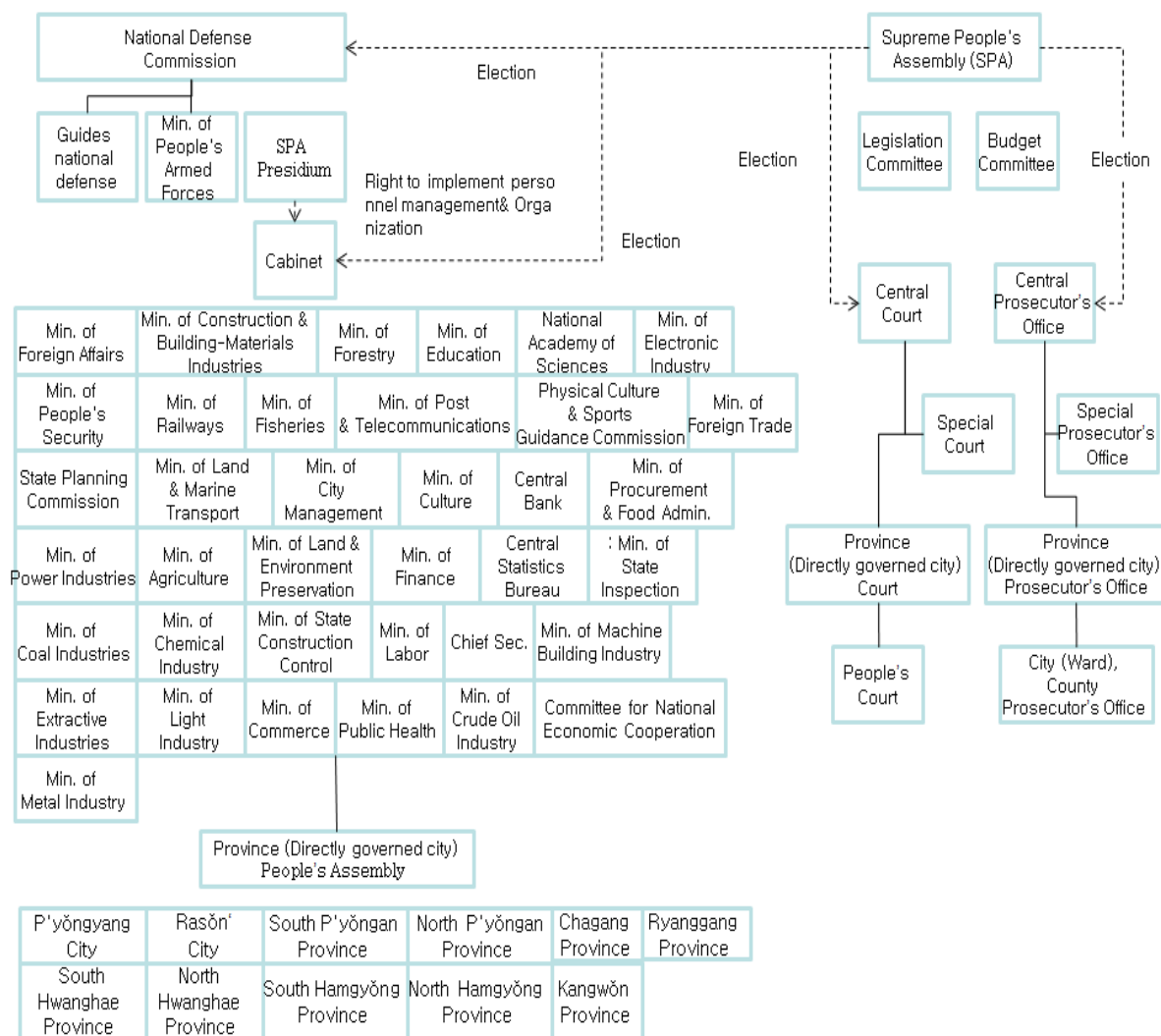
**Table 3 Period 11 5<sup>th</sup> SPA**

<i>SPA</i>	<i>Main Discussion and Decision</i>
Period 11 5 <sup>th</sup> SPA	2006 Budget closing accounts, 2007 Budget discussion
	Science and Technology sector budget increase by 60.3%
	Appointing new Prime Minister: KIM Young Il

(DONGYoung, 2007. 5)

### 2.1.2 NDC should Concentrate Its Original Function.

KIM Il Sung feels fear of open economic system therefore he closes North Korea using the military. NDC controls all organizations. Military first policy is result of his horror. Military first policy is necessary short term but military first policy might be fail in the long term. Military person is not efficient to rule the country. They are lack of special ability. NDC should concentrate just military work. If NDC interfere with other organization, North Korea cannot develop economically and politically. Though KIM Il Sung maintain dictatorship, he should divide his power to the other special organization to increase state efficiency. "NDC organization is expanding because WPK function is not working very well. Military officers get the power instead of WPK officers. NDC function is very similar to Policy office of blue house. Difference is that NDC officers are not specialist." (LEEDongKi, 2008.1) North Korean reader should think China case. China is also socialist country but china maintains regime without depending on military. China economy growth rate is very high. If China depending on the military power to maintain regime, it cannot succeed economic growth.



**Figure 22 Between NDC and SPA (Cabinet) relation (Reunification Ministry, 2008)**

## 2.2 Suggestion to Between Central Government and Local Government Relation

### 2.2.1 Cabinet should Maintain Mutual Organic Relation with Local Government.

Local government system is very similar to central government system. If local government work differs from central government, it is very inefficient. Local government has lower power so some organizations do not exist but central government exists. Local government just follows central government decision. This is not efficient. Local government and central government administration is different. Central government orders cannot apply to local government sometimes so mutual organic relation between central and local government is

important. “Local government role is very important. North Korean economy depends on the local. Local economy expanding is market expanding. Finally North Korean economy will be strengthening. Central government should help local government to develop North Korea” (LEEChulMu, 2005.12)

## 2.3 Suggestion to Relation Between WPK and NDC

### 2.3.1 WPK and NDC Relation is Ambiguous therefore Merging Two Organizations

North Korea is socialist country. Normally, socialist countries the highest power come from labor party because socialist ideology is based on labors. North Korea is the same as other socialist countries but North Korea’s real the highest power from the NDC. North Korea has many problems in 1990’s therefore KIM Jung Il is inaugurated the chairman of NDC. After that, NDC is the highest power organization. NDC and WPK function is very different but WPK has military committee. This function overlaps each other so to combine two organizations is more efficient. Over again, separate NDC’s political function and merge with WPK. NDC should concentrate original function. Someday, Korea might be one. Efficient North Korean administration body is going to be easy to integrate South and North Korean government.





Section 1, 2 are future environment and suggestion to among the power organizations. To increase efficiency, this study gives North Korea suggestion. South – North Korea will integrate future. We have to prepare the future so this study gives some suggestions each organization.

### 3.1 WPK (Worker's Party of North Korea)

#### 3.1.1 WPK and Cabinet Merger

WPK can role administration function on that account WPK and cabinet merger is needed. WPK and central government's dual control is to monitor the peoples. This dual system is very inefficient. Merging two organizations makes slim organization. North Korean party's role is very different from democratic countries. WPK is the only party reality therefore WPK is real power in North Korea. WPK also control cabinet so merging makes very efficient organization. After reunification, Unite Korea can consolidate South Korea's administration and North Korea's WPK.

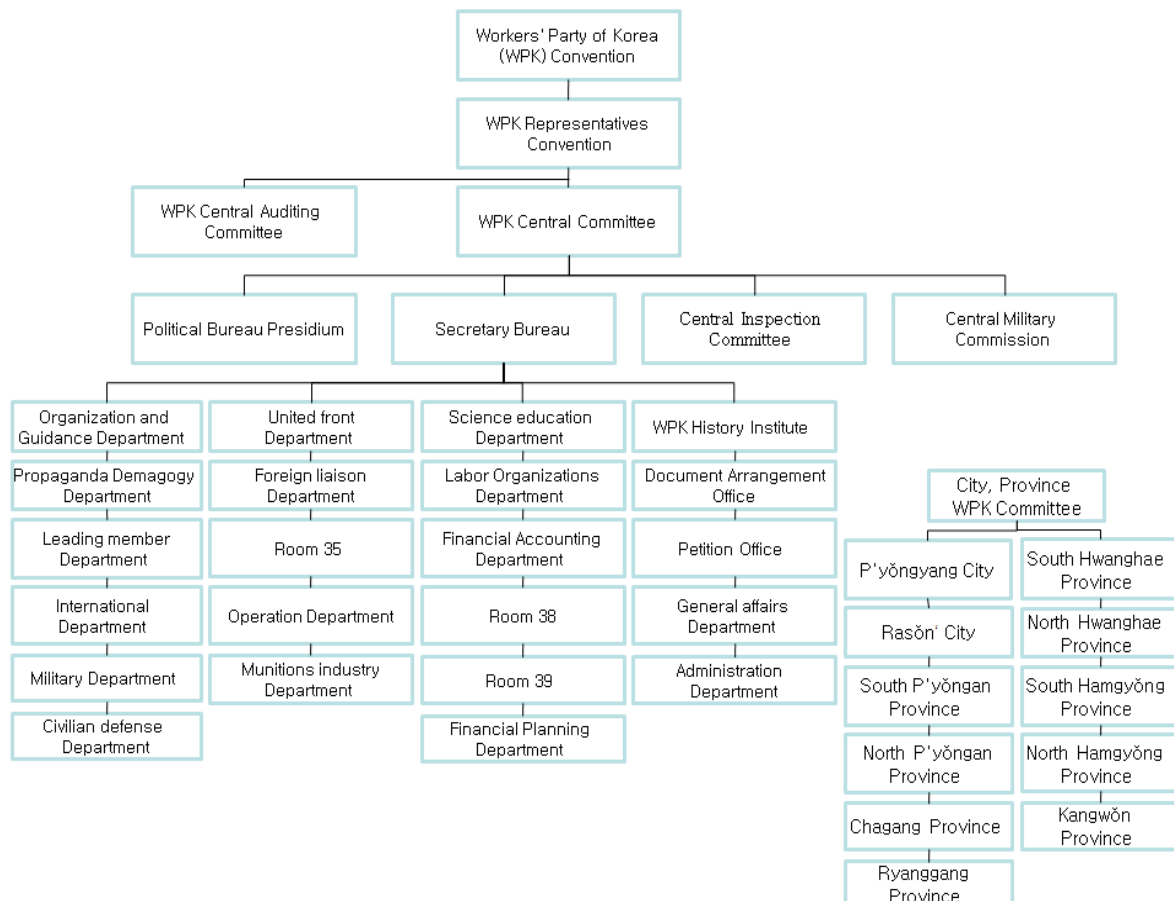
#### 3.1.2 WPK should not Be Controlled by One Person.

Dictatorship is not good to North Korea. Dictatorship is good only the leader is excellent. Unfortunately, North Korean leader is not excellent. North Korea should learn the China system. China is socialist country but China maintains their system very well. Basically, China's leading system is collective system. North Korea dictator has absolute power. All decisions are made by KIM Jung Il. North Korea is very difficult to open their country because KIM Jung Il is afraid of losing his position. Like this, North Korea is very inefficient, so WPK should recover power from the military and WPK should be controlled by collective leaders. WPK central committee will be good example.

#### 3.1.3 Central WPK should Maintain Mutual Relations with Local WPK

Like central government – local government relation, central – local WPK relation is very important. Local WPK organization just follows central WPK because North Korea is much closed country. North Korea's current regime is afraid of changing society so they monitor with dual system such as government and WPK. This study already mentioned that merging

with WPK and government. WPK will be administration organization so central and local government relation is very important. Central WPK cannot know all local WPK business therefore direct control by central WPK is bad method. Central WPK should distribute power local WPK and maintaining good mutual relation with local WPK is needed. This way is more efficient than dual monitoring.



**Figure 24 Central and Local WPK Organization (ReunificationMinistry, 2008)**

### 3.2 SPA (Supreme People's Assembly) and Judiciary System

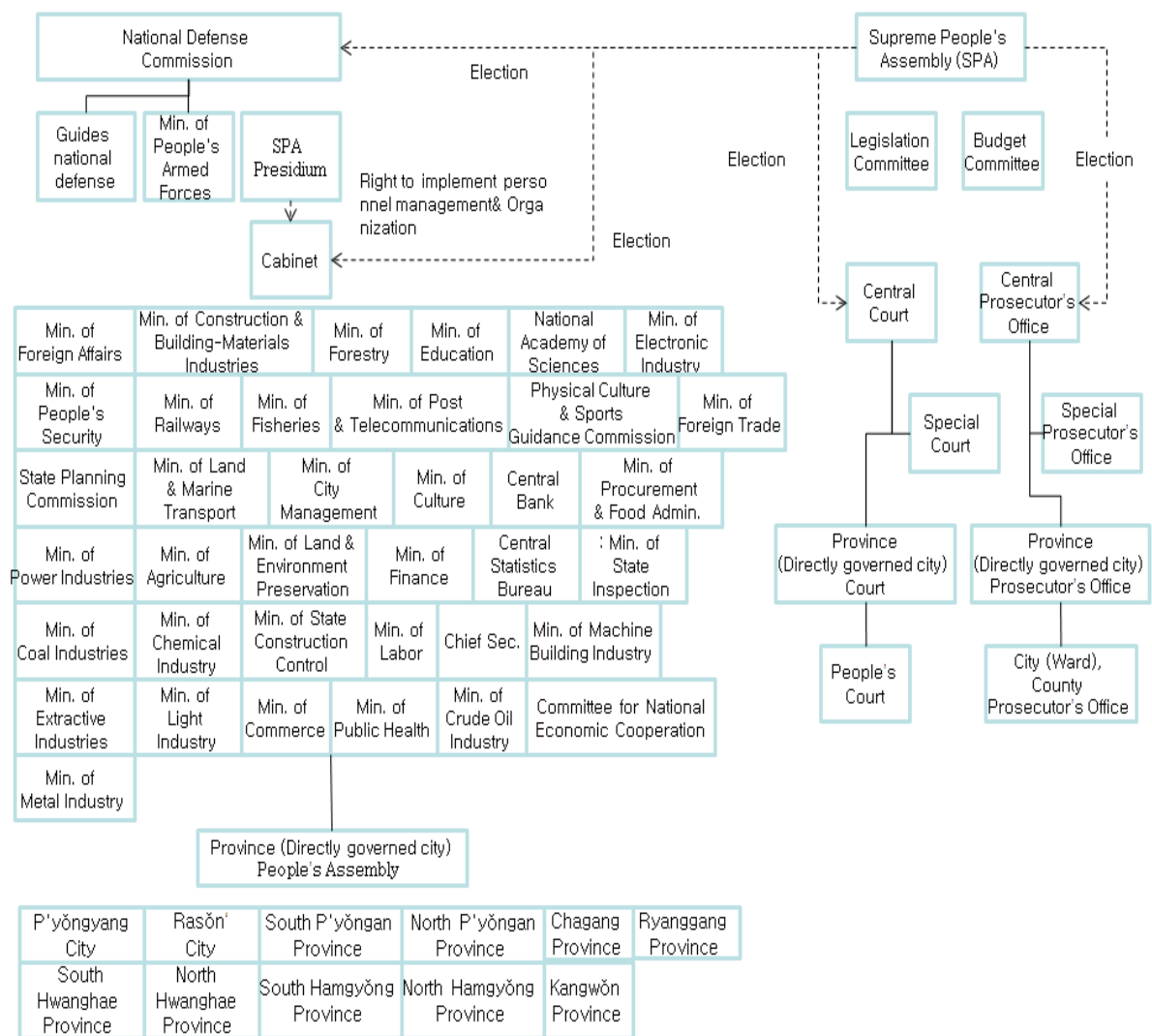
#### 3.2.1 SPA has to Recover Its Own Power.

KIM Jung Il is afraid to open North Korea. By following the above premises, he can open and still manage his regime. He controls all organization of North Korea. This is very inefficient therefore North Korea has problem. Separation of the three powers such as

administration, legislature and judicature is needed. SPA can be South Korea's national assembly. Current SPA has weak power. Just pass KIM Jung Il's decision. To recover SPA power is very important. KIM Jung Il should concentrate on the administration organization and SPA should concentrate on the legislation organization. KIM Jung Il's power will be decreasing but this balance system is more productive. SPA can consolidate South Korea National Assembly.

### 3.2.2 Independence of Judiciary System

Judiciary members are elected by SPA, so this organization belongs to upper organizations. North Korea power system is not independent. It cannot have equilibrium among the powers. Judiciary power is influenced by SPA, NDC. In North Korea cannot expect fair judgment. Leaders are possible to use abuse power to the people. North Korea's question of human right has problem for a long time. Independence of North Korea's judiciary system is very important. Central court can merge with South Korean supreme court and central prosecutor's office can merge with South Korea's supreme public prosecutor's office.



**Figure 25 SPA and Machinery of Law Organization (ReunificationMinistry, 2008)**

### 3.3 Korea People's Army

#### 3.3.1 NDC should Concentrate Own Original Mission in North Korea

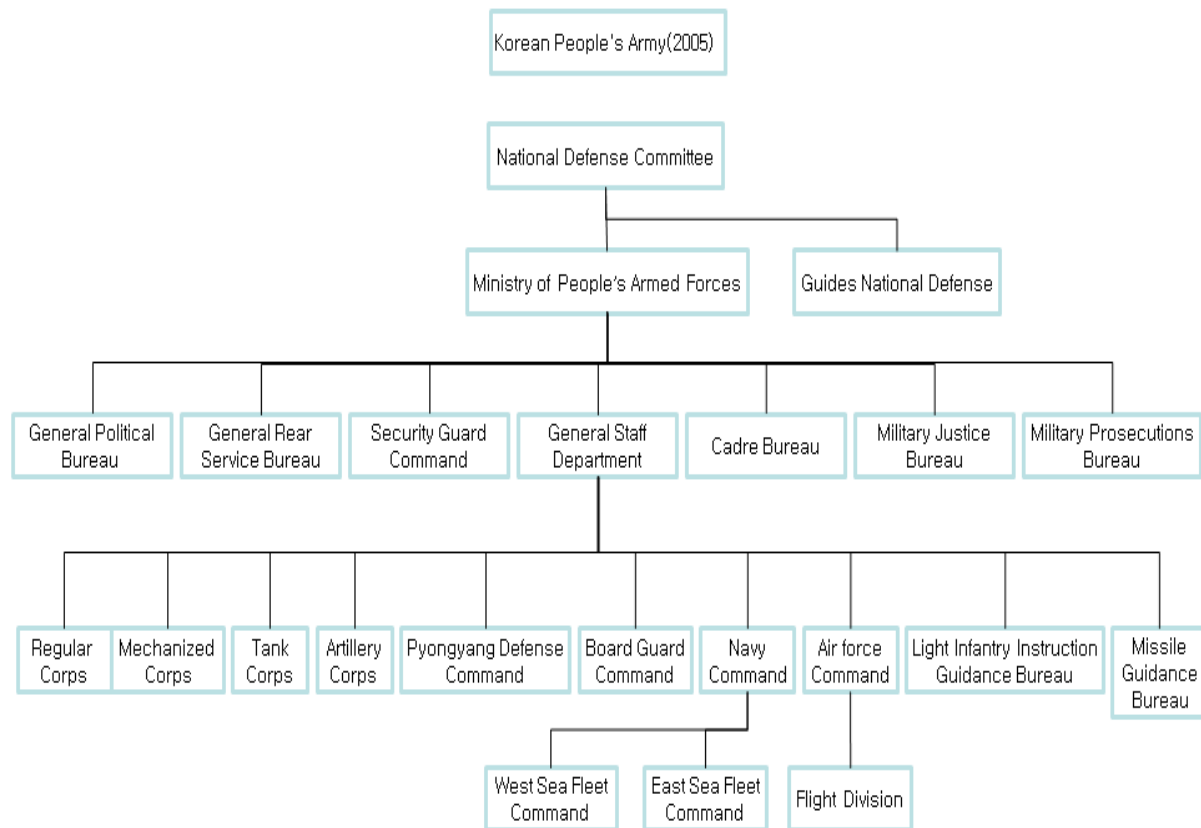
The chairman of NDC is KIM Jung Il, therefore NDC has absolute power in North Korea. As this study mentioned, NDC should be merger with WPK to avoid overlapping power between two organizations. NDC's role is too much overlapping with WPK so this organization should be reformed. Only military work should be operated by NDC. Other NDC's work should be transferred to the WPK.

### 3.3.2 NDC should Do Military Administration and General Staff Department should Do Military Command.

Separation of military administration and command is more efficient because each department concentrates on their mission. Many countries separate administration and command. South Korea is also divided like this. NDC can merge with ministry of national defense in South Korea. General staff department can merge with the joint chiefs of staff in South Korea. North Korea should change NDC's role. After reunification, Korea can easily reform military organization.

### 3.3.3 Divide Military into Three parts: Air force, Navy and Army

North Korea's air force and navy is not separate. They just include general staff department. This is very old system. Many developed countries' military is separated into three parts such as U.S, U.K, France and South Korea. This system cannot development war strategy. Modern war almost performed by air force and navy, so air force and navy independence is essential. South Korean military is divided into three parts. After reform, Korea can merge each military; air force, navy and army. Balance of three is important to national security otherwise it cannot win the war.



**Figure 26 Korean People's Army Organization (Reunification Ministry, 2008)**

## **V. SUMMARY AND CONCLUSIONS**

### **1. Summary**

First chapter include the introduction of background, purpose and methodology of this study. Also it explains that background of North Korea after its independence from Japan, the purpose of the study and the contents. Lastly, it also includes the methodology, such as bureaucracy and principle – agency theory. Second chapter includes power structure of North Korea. This chapter analyzes North Korean power structure transition. This study is divided by four eras and is analyzed by theory and then discussed current authority system of North Korea. This part analyzes relations among all current power systems. Third chapter explores transition process of each organization. Also it evaluates WPK, central government, local government and Korean people's army. Here, this study explains the history, organization and character. Fourth chapter examines the future direction for North Korean governing structure. This chapter needs some future environment. Future environments are divided into two factors which are external and internal factors. Last of this chapter suggest future relation among the power organization. This suggestion is how North Korean power organization should change by relation. Last part suggests that each power organization is how each power should change. Last chapter is summary and conclusions



## 2. Conclusions

North Korea confronts complex international and internal situations. Internationally, North Korea is infamous for its terror sponsoring country and its nuclear weapon. Most national condemned North Korea because North Korea is not easy to survive in the world. Internally, North Korea confront economic crisis so many people died from starvation. KIM Jung Il has no ability to boost the economy because North Korea maintains Soviet socialist economic system. This system is proved to be wrong. As a result, many Eastern Europe nations fell down and they are transitioning economic system. North Korea maintains socialist economic system due to fear of opening its market, so North Korea cannot develop economy, due to lack of efficiency and competitiveness. So as this study mentioned that North Korea should be changed. The first can be enhancing the efficiency of the administration. North Korea cannot do by itself now. It needs help from the outside. South Korea and international society should pay their interest in North Korea.

### 2.1 South Korea's Role

In the future, Korea will be reunited. After reunion, there will be organizations that we can use and cannot use. This study helps to analyze which is useful part and which is not. Nobody knows when we will be united. But we have to prepare now. We continually analyze North Korean power system. If we are ready, we can easily combine North Korea. Main problem is economic gap. South and North Korea gap is very huge. For the time being, we just maintain two countries. After that we support North Korea slowly. Rapid method is not good because South Korean economy is not strong to enough support North Korea. South Korea merges with North Korea slowly, and then smooth organization combination is needed. Things we have to consider it not to stimulate North Korea but to modify its system slowly. Rapid method is not good for either - South or North Korea.

## 2.2 International Societies' Role

### 2.2.1 U.S

U.S is a big threat to North Korea. U.S should not directly put pressure on North Korea. If U.S presses so hard, we cannot expect changes its attitude. As North Korea has nothing to lose, they can use cliff strategy. Dragging is not good to North Korea relation but too strong press can make severe situation. U.S had better not to threat North Korea.

### 2.2.2 China

China is close friend of North Korea. China is North Korea's the only believable country. North Korea may follow China opinion. China's role is very important. North Korea needs to change some systems, and China can teach their successful system. If North Korea accepts Chinese system, North Korea can open their country and develop economy. Existence of North Korea is more beneficial to China.

### 2.2.3 Russia

Russia is close ally of North Korea. Russia's role is also important. Russia feels fear of U.S., and it formally condemns U.S MD (Missile Defense). Recently, Russia gives a caution to Eastern Europe to stop MD. Russia does not want reunification of Korea because Russia needs Missile Buffer zone (North Korea). But Russia should persuade North Korea open and change. In the long term, armed race in East Asia will have negative effect to all countries.

### 2.2.4 Japan

Japan and North Korean relation are also bad. Japan feels horror of North Korea Nuclear Weapon so Japan rearmed their military. Like Russia, Japan reamed can make armed race in Ease Asia. This makes North Korea rough. Armed race should stop in East Asia. Japan should

apologize to victim country and reimburse. This reimburse money can develop North Korea. But the first thing is that changing North Korea system.

North Korea gives headache problem is not only for Korea but also for East Asia. North Korea's administration should change peaceful and stable because North Korea is very important to East Asia. South Korea and international country should pay attention to North Korea's problem. And they should try to solve together. After changing North Korea society, we can pursue peace in East Asia.

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